

3 2354 00409 744 3

DATE DUE

SEP 15 1996

SEP 6 1996

SEP 17 1996

APR 15 2005

105
H7
1914
R3
A1

6822411

103
H7
1914
R3
A1

PROCEEDINGS

OF THE

SPECIAL COMMITTEE OF THE HOUSE OF COMMONS

APPOINTED TO MEET WITH

A SIMILAR COMMITTEE OF THE SENATE

TO CONSIDER

SENATE BILL B2, INTITULED : "AN ACT TO CONSOLIDATE AND AMEND THE RAILWAY ACT"



OTTAWA

PRINTED BY J. DE L. TACHE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1914

CONTENTS.

	PAGE.
Order of Reference, Senate and House of Commons..	5
Reports..	7
Minutes of Proceedings..	8
Minutes of Proceedings and Evidence..	25
Notices of Motions..	11, 14, 22
Communications from:	
E. B. Read, London, England, <i>re</i> section 161..	26
Mr. McLeod, engineer in charge of railways, city of Montreal, <i>re</i> several sections of the Bill affecting cities and towns..	29
T. Marshall, Toronto Board of Trade, <i>re</i> extending jurisdiction of Board of Railway Commissioners to special services..	34
Union Canadian Municipalities..	35
Geo. Hadrill, Montreal Board of Trade, <i>re</i> section 358, etc.,..	37
Colin G. Snider, county court judge..	39
Francis King, counsel Dominion Marine Association, <i>re</i> prevailing rates on wheat from 1905 to date..	60
R. McKenzie, Manitoba Grain Growers' Association, <i>re</i> section 358..	62
R. McKenzie, <i>re</i> Resolution Executive Manitoba Grain Growers' Asso- ciation..	15
St. John Board of Trade <i>re</i> section 358..	16
Montreal Corn Exchange Association <i>re</i> section 358..	17
Ogilvie Flour Mills Co., <i>re</i> section 358..	16
British Columbia Fruit Growers' Association..	64
Sarnia Vegetable Growers..	64
Lambton Fruit Growers..	66
Lambton Growers' Co-operative Association..	66
Memorandum of Mr. Armstrong, M.P., <i>re</i> section 358 and communications read in connection therewith..	62
American Laws <i>re</i> coasting vessels..	69
Canadian Laws <i>re</i> coasting vessels..	69
Coasting regulations <i>re</i> foreign vessels..	69
Saskatchewan Grain Markets Commission's Report..	71
Statement of Francis King, on behalf of Dominion Marine Association, in answer to Mr. Armstrong's Memorandum..	18
Proposed Amendments to Bill:	
By Mr. Armstrong, M.P..	12, 14, 40
By Mr. Geary, Toronto Corporation Counsel..	14, 95
By The Minister of Labour..	22
By Montreal Law Department..	29
Exhibits..	121

ORDER OF REFERENCE.

THE SENATE,

FRIDAY, 3rd April, 1914.

On motion of Hon. Mr. Lougheed, it was:—

Ordered,—That (Bill B2), intituled: "An Act to consolidate and amend the Railway Act," be referred to a special Committee of the Senate, composed of the Honourable Messieurs Béique, Bolduc, Bowell (Sir Mackenzie), Bostock, Douglas, Gordon, Kerr, Power, Ross (Middleton), Taylor, Thompson, Watson, Young and the mover, with instructions to examine the said Bill, meet with a Special Committee of the House of Commons, if such a Committee be appointed, take evidence if necessary, hear parties interested (with the said Special Committee of the Commons), and report upon the said Bill to the Senate.

ORDER OF REFERENCE.

HOUSE OF COMMONS,

MONDAY, 27th April, 1914.

Resolved,—That a Special Committee be appointed to meet with a similar Committee of the Senate, to consider Senate Bill B2, intituled: "An Act to consolidate and amend the Railway Act;" to take evidence if necessary, hear parties interested, and to report to this House; and that Messieurs Ames, Armstrong (Lambton), Bennett (Calgary), Blain, Béland, Carvell, Crothers, Emmerson, Fowler, Graham, Green, Lancaster, Lemieux, Macdonell, Maclean (York), McCurdy, McKay, Meighen, Murphy, Nesbitt, Oliver, Perley, Rainville, Reid (Grenville), Sinclair and Turriff, do compose the said Special Committee.

Attest,

THOS. B. FLINT,

Clerk of the House.

WEDNESDAY, 29th April, 1914.

Ordered,—That the names of Messieurs Carroll and Sutherland be added to the said Committee.

Attest,

THOS. B. FLINT,

Clerk, House of Commons.

WEDNESDAY, 6th May, 1914.

Ordered,—That the said Committee be granted leave to sit while the House is in session, and when the House is adjourned; and that their quorum be reduced to nine members.

Attest,

THOS. B. FLINT,

Clerk, House of Commons.

WEDNESDAY, 6th May, 1914.

Ordered.—That the said Committee be granted leave to report from time to time.
Attest,

THOS. B. FLINT,
Clerk, House of Commons.

WEDNESDAY, 13th May, 1914.

Ordered.—That the said Committee be given leave to have the proceedings of the joint meetings of the said Committees and such evidence as may be taken, printed from day to day, and that Rule 74 be suspended in reference thereto.

Attest,

THOS. B. FLINT,
Clerk, House of Commons.

REPORTS.

HOUSE OF COMMONS,

WEDNESDAY, 6th May, 1914.

The Special Committee appointed to meet with a similar Committee of the Senate to consider Senate Bill B 2, intituled: "An Act to consolidate and amend The Railway Act," beg leave to present the following as their

FIRST REPORT.

Your Committee recommend that leave be granted to them to sit while the House is in session, and when the House is adjourned; also that their Quorum be reduced to Nine Members.

All of which is respectfully submitted.

J. E. ARMSTRONG,

Chairman.

HOUSE OF COMMONS,

WEDNESDAY, 13th May, 1914.

The Special Committee appointed to meet with a similar Committee of the Senate, to consider Senate Bill B 2, intituled: "An Act to consolidate and amend The Railway Act," beg leave to present the following as their

SECOND REPORT.

Your Committee recommend that leave be given them to have the Proceedings of the joint meetings of the said Committees and such Evidence as may be taken, printed from day to day, and that Rule 74 be suspended in reference thereto.

All of which is respectfully submitted.

J. E. ARMSTRONG,

Chairman.

HOUSE OF COMMONS,

FRIDAY, 29th May, 1914.

The Special Committee appointed to meet with a similar Committee of the Senate, to consider Senate Bill B 2, intituled: "An Act to consolidate and amend The Railway Act," beg leave to present the following as their

THIRD REPORT.

Your Committee have had before them the Senate Bill B 2, intituled: "An Act to consolidate and amend The Railway Act," and for the information of the House submit herewith their Minutes of Proceedings and Evidence, and recommend that the same be printed in blue-book form and that Rule 74 be suspended in reference thereto.

All of which is respectfully submitted.

J. E. ARMSTRONG,

Chairman.

MINUTES OF PROCEEDINGS.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 101,

TUESDAY, May 5, 1914.

The Special Committee appointed to meet with a similar Committee of the Senate, to consider Senate Bill B 2, intituled: "An Act to consolidate and amend The Railway Act," met for organization.

The members who answered the call were:—

Messieurs Armstrong (Lambton), Bennett (Calgary), Blain, Carroll, Emmerson, Graham, Lancaster, Lemieux, Macdonell, Maclean (York), McKay, Nesbitt, Reid (Grenville), Sinclair and Sutherland.

On motion of Mr. Reid (Grenville),

Mr. Armstrong (Lambton) was chosen Chairman of the Committee.

The Committee then adjourned to the call of the Chair.

Attest,

N. ROBIDOUX,

Clerk of Committee.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 211,

WEDNESDAY, May 6, 1914.

The Committee met.

PRESENT.—Messieurs Armstrong (Lambton), in the chair; Blain, Carroll, Carvell, Emmerson, McKay, Nesbitt and Sutherland.

The Chairman reported his conference had with the Chairman of the Senate Committee about the procedure to be followed on the Bill, and consequently offered the following suggestions:—

1. That the Committee do ask for leave to sit while the House is in session, and when the House is adjourned; and that their Quorum be reduced to nine members.

2. That the evidence and proceedings be printed.

3. That the railway and marine representatives be requested to prepare in condensed form the views, suggestions and amendments they wish to put forward in connection with the Bill.

These suggestions were approved by the Committee.

Mr. Emmerson made the following suggestions:—

1. That the quorum of the joint meetings of the two Committees be reduced to fifteen members.

2. That the date of the meetings should not conflict with any important legislation going on in the House.

3. That at a joint meeting, the Bill should be taken up clause by clause and all unopposed sections be passed, and that the members should be invited to send their proposed amendments in to the Clerk in order that the same be printed as Notices of Motions.

Mr. Carvell suggested that a certain number of copies of the Bill be reprinted showing in italics the amendments made by the compiler to the old Acts as well as the new matter, if any.

These suggestions were also approved by the Committee.

The Committee then adjourned to meet jointly next Tuesday, 12th instant, with the Senate Committee.

Attest,

N. ROBIDOUX,

Clerk of Committee.

(Joint Meeting.)

COMMITTEE ROOM NO. 8 OF THE SENATE,
TUESDAY, May 12, 1914.

The Special Committee of the House of Commons on Senate Bill B2, intituled, 'An Act to consolidate and amend The Railway Act,' met in a joint meeting with a similar committee of the Senate. Present:

Commoners.	Senators.
Messrs. Armstrong (Lambton),	Hon. Messrs. Bostock,
Blain,	Kerr,
Carroll,	Lougheed,
Fowler,	Power,
Macdonell,	Ross (Middleton),
Maclean (York),	Thompson, and
McCurdy,	Young.
Nesbitt, and	
Sutherland.	

Senator Young and Mr. Armstrong (Lambton) presided at the joint meeting.

Resolved, that a report be made to the Senate recommending that the quorum of the Special Committee of the Senate be reduced to five members.

Resolved, that the quorum of either committee present at any joint meeting of the two committees shall form the quorum of such joint meeting.

Resolved, that the explanatory memorandum prepared by the compiler of the Bill, showing the amendments and additions to the old Acts made by him, &c., be printed.

On motion of Mr. Maclean (York), it was

Resolved, that Mr. Samuel Price, the compiler of the Bill, be requested to attend the joint meetings of the two committees.

Resolved, that a report be made to the House of Commons recommending that their proceedings be printed from day to day, and that Rule 74 be suspended in reference thereto.

Mr. Nesbitt moved, that the joint meetings of the two committees be held in the House of Commons Railway Committee Room.—Which was lost on division.

Ordered, that the joint meetings of the two committees be held on Tuesday and Thursday of each week, in Room 8 of the Senate, at 11 o'clock a.m., subject to the call of the chairmen.

The following persons were present as representing their various interests, viz.:—

Mr. Harvey Hall—Railway Conductors and Trainmen of Canada.

Mr. Calvin Lawrence—Locomotive Engineers.

Mr. D. McCaughrin—Telegraphers.

Mr. F. Cook—Union Canadian Municipalities.

Mr. Wm. L. Best—Locomotive Firemen and Enginemen.

Mr. W. H. Biggar, K.C.—G.T.R.

Mr. E. W. Beattie—C.P.R.

Resolved, that Mr. D. McCaughrin be heard on Thursday next.

The committees then adjourned until Thursday, 14th instant.

Attest,

N. ROBIDOUX,
Clerk of Committee.

(Joint Meeting).

COMMITTEE ROOM No. 8 of the Senate,
THURSDAY, 14th May, 1914.

The Special Committee of the House of Commons on Senate Bill B2, met in a joint meeting with a similar Committee of the Senate. Present:—

Commoners.

Messrs. Armstrong (Lambton),
Blain,
Carroll,
Green,
Macdonell,
Maclean (York).
McKay,
Nesbitt,
Rainville, and
Sinclair.

Senators.

Hon. Messrs. Béique,
Bowell (Sir Mackenzie),
Bostock,
Gordon,
Kerr,
Lougheed,
Power,
Ross (Middleton),
Thompson,
Watson, and
Young.

Senator Young, and Mr. Armstrong (Lambton), presiding.

Mr. Samuel Price, compiler of the Bill, was present.

A letter from D. McCaughrin regretting his inability to attend the present meeting, was read. (*Printed herewith*).

Also, a letter from the Acting Minister of Railways, enclosing two communications from E. B. Read, of London, England, respecting certain sections of the bill. (*Printed herewith*).

Mr. J. L. Archambault, K.C., city attorney of Montreal, submitted a report from N. McLeod, engineer in charge of Railways, to Geo. Janin, chief engineer of Public Works (city of Montreal), respecting certain provisions of the bill. Which report was read. (*Printed herewith*).

Mr. Frank Hawkins, secretary, Canadian Lumbermen's Association, was asked if he wished to be now heard. Negative answer.

Mr. Fred Cook was heard briefly on behalf of the Union Canadian Municipalities. The question of procedure being raised:—

Mr. Maclean (York) moved, that the first sections of the bill dealing with the interpretation, &c., be now taken up.

Whereupon, Mr. Nesbitt drew the attention of the two Committees on the important legislation now going on in the Commons and the inability of the members of the Commons Committee to give serious consideration to the Bill at this late period of the session.

After discussion on the point raised by Mr. Nesbitt.—

Mr. Maclean (York) by consent withdrew his motion, and it was

Resolved, that notice be given to each member to attend the next joint meeting for a decision whether the consideration of the bill should be proceeded with during the present session.

On motion of Mr. Nesbitt, the two Committees then adjourned until Tuesday next, 19th instant.

Attest.

N. ROBIDOUX,

Clerk of Committee.

(Joint Meeting).

COMMITTEE ROOM No. 8 of the Senate,
TUESDAY, 19th May, 1914.

The Special Committee of the House of Commons on Senate Bill B2, met in a joint meeting with a similar Committee of the Senate. Present:—

Commoners.

Messrs. Ames,
Armstrong (Lambton),
Béland,
Blain,
Carroll,
Emmerson,
Green,
Macdonell,
Maclean (York),
McCurdy,
Murphy,
Nesbitt,
Rainville,
Sutherland.

Senators.

Hon. Messrs. Bostock,
Kerr,
Lougheed,
Power,
Ross (Middleton),
Thompson,
Watson,
Young.

Senator Young, and Mr. Armstrong (Lambton), presiding.

Mr. Samuel Price, compiler of the Bill, was present.

Mr. Cockshutt, M.P., submitted a communication from T. Marshall, traffic manager for the Toronto Board of Trade, containing copy of the Board's representations in connection with the Bill. (*Printed herewith.*)

The Chairmen submitted a communication from Geo. Hadrill, secretary of the Montreal Board of Trade, respecting certain provisions of the Bill. (*Printed herewith.*)

Ordered, That representatives of the Boards of Trade of Toronto and Montreal be heard on Tuesday next, 26th instant.

Mr. W. D. Lighthall submitted a brief memorandum from the Union Canadian Municipalities. Which was read. (*Printed herewith.*)

The Chairman (Mr. Armstrong) read a telegram from the International Harvester Company, Hamilton, and one from the Steel Company of Canada, Hamilton, asking to be heard before the Committees. (*Printed herewith.*)

The Chairman (Mr. Armstrong) read a letter from Judge Colin G. Snider, Hamilton, respecting certain provisions of the Bill. (*Printed herewith.*)

Mr. Francis King, Kingston, Counsel for the Dominion Marine Association, was heard on behalf of that association.

Mr. Price was heard on certain changes in the law affecting the shipping interests.

Mr. Armstrong (Lambton) gave notice of the following proposed amendment:

That section 358 of the Bill be struck out and that the following be substituted therefor:—

‘The provisions of this Act shall so far as deemed applicable by the Board extend and apply to the traffic carried by any Company or person by sea or by inland water between any ports or places in Canada or between any port or place in Canada and any port or place out of Canada and the provisions of this Act in respect of tolls, tariffs and joint tariffs, traffic agreements, classification of freight, accommodation for traffic, shall so far as deemed applicable by the Board extend to and apply to all freight traffic carried by water from any port or place in Canada to any other port or place in Canada or out of Canada. And all questions of the places along the line of route where vessels shall call for traffic and the time of call and duration of stay shall be subject to the approval and control of the Board.’

Mr. L. Henderson, of the Montreal Transportation Company, and president of the Dominion Marine Association, was heard.

On motion of Mr. Ames, it was

Resolved, That the Department of Railways and Canals be requested to depute Mr. Payne, Comptroller of Statistics, to prepare a schedule—after communication with the several inland transportation companies—showing the average rate per month per bushel on grain from Port Arthur (or Fort William) to Montreal during the past five years.

Mr. Henry W. Richardson, Kingston, grain shipper, etc., was heard.

The Committees then adjourned until Tuesday next, 26th instant, at 11 a.m.

Attest,

N. ROBIDOUX,
Clerk of Committee, H. of C.

(Joint Meeting).

COMMITTEE ROOM No. 8 of the Senate,
Tuesday, 26th May, 1914.

The Special Committee of the House of Commons on Senate Bill B2, met in a joint meeting with a similar Committee of the Senate. Present:—

Commoners.

Messrs. Armstrong (Lambton).
Fowler,
McCurdy,
Rainville.

Senators.

Hon. Messrs. Bolduc,
Bostock,
Kerr,
Lougheed,
Power,
Ross (Middleton),
Taylor,
Thompson,
Watson,
Young.

Senator Young, and Mr. Armstrong (Lambton), presiding.

Mr. Samuel Price, compiler of the Bill, was present.

Mr. Chairman Armstrong read telegrams and letters:—

From C. B. Watts Toronto; R. MacKenzie, Winnipeg; G. R. Geary, K.C., Toronto.
(Printed herewith.)

Hon. Mr. Chairman Young read a telegram from W. R. Motherwell, Regina.
(Printed herewith.)

On motion of Senator Power, it was

Resolved, That when the Committees adjourn on Thursday next, 28th instant, they stand adjourned *sine die*.

Mr. Chairman Armstrong read the following letters:—

From Mr. Francis King, Counsel of Dominion Marine Association, Kingston, including a memorandum of the prevailing rates on wheat from 1905 inclusive up to the present date. (Printed herewith.)

From members of the Press Gallery, asking that the meetings of the Committees be held in the Railway Committee Room of the House of Commons. (Printed herewith.)

From R. McKenzie, secretary of the Manitoba Grain Growers' Association, Winnipeg, asking to be heard before the Committees. (Printed herewith.)

Mr. Chairman Armstrong read statement of reasons for his proposed amendment to section 358 of the Bill, and communications in connection with the same. (Printed herewith.)

Mr. G. R. Geary, K.C., Corporation Counsel, city of Toronto, was heard on behalf of various municipalities throughout the country in connection with several sections of the Bill, Mr. Geary being requested to submit his proposed amendments in writing, so that the same will appear in his evidence.

Mr. T. L. Church, controller, Toronto, was also heard.

The Committees then adjourned until Thursday next, 28th instant.

Attest,

N. ROBIDOUX,
Clerk of Committee, H. of C.

NOTICES OF MOTION.

By Mr. Armstrong (Lambton).—That the following be inserted as a subsection to section 318 of Senate Bill B2:—

"The Board shall have control over all privileges and concessions given by any company or express company, and where any special privilege or concession is given by any company or express company to any person, or to any class of business or in any part of Canada, the Board may order that such privilege or concession be discontinued or modified or granted to any other person, or to any class of business or in any other part of Canada either in the same or in a modified form."

By Mr. Geary, Toronto Counsel:—

As to Separation of Grades.

Strike out Section 260.

Amend Section 261 to read: "In respect of any order made by the Board, under any of the last three preceding sections, the Company shall, at its own cost and expense (unless and except as otherwise provided by agreement approved of by the Board between the Company and a municipality or other corporation or person), provide all protection, safety and convenience for the public in respect of any crossing of a highway by the Railway."

As to Shunting.

To Section 289l. add after the word "engines" in the fifth line,—“or the time or manner of shunting.”

As to Blocking of Crossings.

To Section 312 add: "and any railway crossing any highway at rail level shall so operate its engines, tenders or cars that there be no obstruction whatever of the highway thereby for the period of five minutes immediately following the period of five minutes hereinbefore mentioned."

As to Commutation Rates.

1. Section 341 of the proposed Act is amended by striking out of clause "b" thereof the words "or commutation passenger."

2. The said Act is further amended by inserting between sections 340 and 341 the following section:—

"340b. Nothing in this Act shall be construed to prevent the issuing of suburban or commutation passenger tickets; provided, however, that the carriage of passengers under this section shall be subject to the provisions of this Act relating to other classes of tolls, in so far as such provisions are applicable.

(2) Where a company has regularly issued such suburban or commutation passenger tickets from any city to any outlying point for a period of six months or over, the issuing of such tickets shall not be discontinued without the consent of the Board.

(3) The Board may fix the radius within which any class of such suburban or commutation tickets shall be issued from any city, or make such other order as to the Board may seem just.

(4) In fixing such radius the Board shall take into consideration, in addition to any other matters submitted to it, the distance from such city to which such tickets may have at any time previously been issued, and the distance from any other city to which such company has issued such tickets."

(*Joint Meeting*).

COMMITTEE ROOM No. 8 OF THE SENATE,

THURSDAY, 28th May, 1914.

The Special Committee of the House of Commons on Senate Bill 132, met in a joint meeting with a similar Committee of the Senate. Present:—

Commoners.

Messrs. Armstrong (Lambton),
Bennett (Calgary),
Béland,
Blain,
Carroll,
Maclean (York'),
Murphy,
Nesbitt,
Rainville,
Sinclair.

Senators.

Hon. Messrs. Béique,
Bolduc,
Bowell (Sir Mackenzie),
Bostock,
Lougheed,
Power,
Ross (Middleton),
Taylor,
Thompson,
Watson,
Young.

Senator Young and Mr. Armstrong (Lambton), presiding.

Mr. Samuel Price, compiler of the Bill, was present.

J. E. Walsh, Secretary Transportation Dept. Canadian Manufacturers' Association, Toronto, addressed the two Committees on the provisions of section 358 of the Bill. Also Messrs. W. R. Dunn, International Harvester Company, Hamilton; F. H. Whitton, Assistant General Manager Steel Company of Canada, Hamilton; Alex. McFee, Corn Exchange, Montreal, and Huntley Drummond, Board of Trade, Montreal.

Mr. Francis King, Counsel for Dominion Marine Association, Kingston, submitted a statement in answer to the argument made by Mr. Chairman Armstrong in support of the latter's proposed amendment to section 358 of the Bill. (*Printed on page 18.*)

The following communications were submitted and ordered to be printed with this day's proceedings:—

WINNIPEG, 27th May, 1914.

J. E. ARMSTRONG,

House of Commons, Ottawa.

Executive M. G. G. A. meeting here last night passed resolution approving placing traffic carried by sea on inland water by vessels operated or controlled by railways under control Board Railway Commission. Senator Young wired yesterday no meeting committee after twenty-eighth this session. Cannot reach Ottawa that date.

J. M. ROBINSON,

President.

R. McKENZIE,

JOSEPH A. LIKELY.

Vice-President.

HENRY T. HOAG, *Secretary-Treasurer.*

THE ST. JOHN BOARD OF TRADE.

St. John—The Atlantic Gateway of Canada that is never closed.

ST. JOHN, NEW BRUNSWICK, May 26, A.M., 1914.

J. E. ARMSTRONG, Esq.,

Commons Chairman, Joint Committee Railway Act,
Ottawa, Ontario.

DEAR SIR.—At a meeting of the Council of the Board, I was instructed to advise you that this Board does not consider Bill B2, An Act to consolidate and amend the Railway Act, to be in the best interests of our members in as far as Section 358 is concerned.

This Section, as you know, places transportation companies operating by water between ports and places in Canada to other ports and places in Canada, entirely under the jurisdiction of the Railway Commission.

The members of our Board believe that such an action would tend to prevent any water carriage competition, and would also tend to eliminate competing companies between the same ports and places, as steamship companies that are operating now in competition, would get together and have a rate approved higher than they could hope to secure if competition were continued and allowed as at present.

This City owes its prosperity to a great extent to its geographical position and the distribution of its output by water, and our Council does not feel that the Board of Railway Commissioners, excellent as that body is, should be allowed to disturb conditions through rulings which are now satisfactorily adjusted and controlled by their present mode of operation.

The Council therefore trusts that the clause in the Bill in question may be withdrawn.

PERCY W. THOMPSON,
Chairman Traffic Bureau.

THE OGILVIE FLOUR MILLS CO., LIMITED.

HEAD OFFICE, MONTREAL, CANADA.

27th May, 1914.

J. E. WALSH, Esq.,

Manager, Transportation Dept.,
Canadian Manufacturers' Association,
Room 8, Senate Bldg.
Ottawa, Ont.

Re Revised Railway Act.

DEAR SIR,

We beg to acknowledge receipt of your esteemed favour of May 21, calling our attention to proposed Amendment to the Railway Act, which would place water carriers under the jurisdiction of the Board of Railway Commissioners.

We regret we cannot be represented at the meeting to be held in Ottawa, the 28th inst., but wish to state that we are not in favour of the proposed Amendment for the following reasons:

In the first place, we can see no reason for any Government control so long as there is sufficient competition to ensure equitable and reasonable rates, and this we believe to be the case at the present time.

In any event such control could only extend to registered Canadian lines, whereas our coastwise laws permit the carrying of Canadian merchandise in American bottoms from a Canadian to an American port; in other words, the Canadian lines tied down to certain tariffs, would be opposed to the unhampered competition of the American lines on all export merchandise, and the result would unquestionably be

the diversion of considerable tonnage to the American routes. It is now an open question as to whether the completion of the Erie Canal, and the proposed operation of oil power barges, will not destroy the advantage the Canadian water routes have hitherto enjoyed over those on the other side of the line in moving freight forward to the seaboard—an advantage which has been vitally necessary owing to the advantages enjoyed by the American seaports over those of our own—so that any movement which might in any way curtail this already threatened advantage would appear to be a serious commercial blunder.

It may be urged that a movement of this kind which is being opposed by the Transportation Companies might logically receive the support of the manufacturers, whose interests, in the matter of freight, might be expected to be exactly opposite. This, however, is not necessarily so, since, as long as the manufacturer is not hampered by a monopoly, his right to contract in accordance with his own judgment is the very life of his business—freight being something which he has to purchase as carefully as his raw material.

We are, furthermore, very strongly of the opinion that, so long as the manufacturer and consumer are protected by competition against anything unfair, the less general business is hemmed in by Government regulations, the stronger and healthier will be our organizations, and Canadian merchants in all lines will be better able to serve our own markets, and better able to compete in the markets of the world.

Our own experience of water carriage conditions is very extensive, and as at the present time we consider these to be satisfactory, we have no hesitation in saying for the reasons above outlined, that the proposed measure is not in the best interests of Canadian trade generally.

Yours truly,

THE OGILVIE FLOUR MILLS CO., LTD.

G. ALFRED MORRIS,

Secretary.

MONTREAL CORN EXCHANGE ASSOCIATION.

OFFICE BOARD OF TRADE.

MONTREAL, May 27, 1914.

GENTLEMEN,—Owing to the sitting in Montreal to-morrow of the Board of Grain Commissioners for Canada, and the consideration by that Board of a number of matters of vital interest to the members of this Association, it has been found impossible to secure the attendance of representatives at the meeting of your Committee to-morrow to hear the views of the public on the question of the regulation and control of tolls and tariffs of Canadian water carriers by the Board of Railway Commissioners as provided in Clause 358 of the draft Bill to amend and consolidate the Railway Act, this Association, therefore, begs to embody its views in writing, which we do herewith.

The local and exporting grain interests are most strongly opposed to any regulation or control of the inland water rates which would result, as we are confident the present proposal would if adopted, in the elimination of competition among water carriers and consequently in the removal of a check on rail rates.

Enforced uniformity of water rates would undoubtedly tend to concentrate the water borne business in the hands of the larger companies, and would drive the smaller companies, whose irregular service and lack of equipment would not entitle them to the standard rates, out of business. Another very serious objection to the proposed regulation of water rates is that United States vessels, being entirely free of regulation, could at all times underbid the Canadian boats for the grain carrying trade, they being free to carry Canadian grain from Canadian ports to American ports and any grain from American ports to Canadian ports without limitation as to rate or service.

In so far as the grain trade of Canada is concerned, it is the unanimous opinion of the grain merchants here that the adoption of the proposed legislation would militate most seriously against the interests both of producers and shippers, and this Association therefore strongly urges the amendment of the draft Railway Act by the elimination of the clause proposing to regulate and control the tariffs of water carriers.

I am, gentlemen,
Yours truly,

J. STANLEY COOK,
Secretary.

Honourable FINLAY M. YOUNG,
J. E. ARMSTRONG, Esq., M.P.,

Chairmen on the Joint Committee of the Senate and House of Commons on
Bill B2 'An Act to consolidate and amend the Railway Act.'

Mr. Francis King's Statement.

OTTAWA, Ont., May 27, 1914.

To the Honourable
The Chairmen and Members,
Of the Joint Committee on the Railway Act.
Gentlemen,—

Without attempting to deal finally with the matter on behalf of the vessel owners who have had no opportunity to reply, and merely because I think it desirable that the record of the committee's hearings should not be closed and the proceedings published without some comment upon the argument made by one of its Chairmen, Mr. Armstrong, M.P., in support of his amendment to section 358 of the Act, I accept the suggestion made during the session of the Committee on the 26th and submit the following "succinct statement" on behalf of the Dominion Marine Association, again respectfully submitting that in view of the nature of the statements made by Mr. Armstrong a fair opportunity should be afforded vessel owners to answer it fully before any action is taken upon it.

(1) Tuesday, the 26th day of May, was appointed for the presentation of evidence by the interests desiring the proposed legislation. No one appeared however in support of the proposals except the Chairman, Mr. Armstrong, and no witnesses or counsel submitted themselves for examination by the Committee.

(2) Mr. Armstrong said "perhaps the most serious objections to the present conditions are being made by the shipper of grain in the Northwest," and he submitted as evidence the report of the Grain Markets Commission of Saskatchewan, 1914, marking and underlining the paragraphs upon which he relied. This pamphlet was not obtainable from the Department of Trade and Commerce when I applied for it there, and the copy recorded in the Parliamentary Library is missing, so that it was impossible to examine it until the reporters' notes were complete. I have now seen the extracts from it and have not the slightest hesitation in condemning the Commission's conclusions against the Canadian Lake Carrier as manifestly unfair and as being quite unsupported by any evidence.

The only definite statement made by the Commission to the effect that the Canadian Lake Rate is in any way improper is contained in the following sentence "it will be noted that in spite of the much greater distance from Upper Lake Ports, and the fact that Buffalo lies east of Cleveland (the source of the return cargo) Lake freight rates to Buffalo are as a rule less than to Canadian ports on Georgian Bay and Lake Huron." Plenty of figures are quoted but there are none whatever in the notes furnished me to support the bald accusation above quoted. On the contrary the fact is that a reference to the Report which I have since examined shows that the Commission does quote for 1912 the comparative rates to Buffalo and to the Georgian Bay as follows:—

	1912.	
	To Georgian Bay	To Buffalo.
May..	1.835	2.719
June..	1.765	1.544
July..	1.914	1.539
August..	1.914	.....
September.. . . . .		.....
October..	2.114	2.259
November..	3.156	2.616
December..	3.967	3.905

and this statement shows that in the year mentioned out of the six months for which a rate to Buffalo is quoted the rate to Buffalo was the higher in two of the months and was equal to the Canadian rate in one of the months, and but very slightly under it on the other occasions, being on the whole almost identical.

Furthermore in 1913 I was a member of the deputation which I think convinced the Honourable the Minister of Trade and Commerce that rumours of a higher rate to the Bay than to Buffalo at that time were quite unfounded and incorrect.

There is no statement in the Report other than the unsupported one above quoted that the water rate to the Bay or Montreal is in the slightest exorbitant. On the other hand the Montreal rate is shown to have been from one to two cents under the New York rate via Buffalo, and in a comparative table, showing the total expenses of exporting, the Lake rate is shown to be only about 1½ cents as against a total rate to Europe of almost 21 cents.

At the same time the report shows most clearly the real reasons for the divergence of Canadian grain to United States routes with relation to a variety of other conditions including conditions at ocean ports, ocean transportation, facilities and rates, and insurance and other items of expense.

Nothing is shown to warrant the apparently prejudiced fling taken by the Commission at the Canadian Lake Carriers, which might have been assumed to be based upon incorrect evidence submitted to the Commission, or upon some other misunderstanding, if it were not for the figures quoted.

The Commission makes a number of suggestions aimed at cutting down the rate, no matter what harm it might work to the Canadian merchant marine, but the only one of the four specially enumerated which would not tend to kill all interest in the upbuilding of a good Canadian lake fleet is that the coasting laws should be abrogated *on both sides of the boundary line*. That would at least do the Canadian vessel the justice of letting her share the advantage of the East and West bulk freight traffic in coal and ore now enjoyed by the vessels of United States.

The Commission entirely overlooks the disadvantage under which the Canadian boat labours in this respect, and apparently does not notice that there is no return cargo from Georgian bay ports.

Attention must be called to the fact that the report is quite incorrect in showing a late autumn lake rate of \$20 per 1,000 bushels in 1913, against a rate of \$10 per 1,000 bushels in the same season of 1909. Instead of 1 cent and 2 cents a bushel for November in these years, the rates were more closely 2 and 2½ for 1909, and 2½ and 3 cents in 1913, the increase being slight. The report shows a comparison of the Montreal rates for the years from 1909 to 1912, and shows that an average of 4.93 cents for 1909 became an average of 5.93 cents in 1912. The close of 1913 was about the same as 1912, and in fact the Comptroller of Statistics, Mr. G. L. Payne, shows it lower than our record for the preceding year. The upper lake rate could not double if Montreal varied so slightly.

Then again although in another table the rate to the seaboard at Montreal at the opening of 1913 is shown as 7.25 cents, against an upper lake rate to Buffalo of 2.25

cents, Mr. Payne for the opening of that season puts these rates at 6 cents and 2.75 cents respectively.

One of the closing paragraphs of the Chairman's extracts from the report is fair to the lake carrier in pointing out that although a rate of $1\frac{1}{2}$ cents would be very profitable if the vessel could have full cargoes throughout the whole season, yet nevertheless if the traffic has to be crowded into eight trips out of the fifteen, the boat should make a much higher freight charge. It also rightly enough claims that vessels should be loaded with despatch, and the running expense of \$250 a day should be made available for grain moving, and not lost lying idle in port.

The Report in question may deserve careful examination, but it is submitted that the extracts quoted by Mr. Armstrong will prove to any careful reader to be quite valueless in support of his contention that there is any cause of complaint against the carrier of grain on the Lakes.

(3) Mr. Armstrong apparently doubts the contention that the bulk freighter is not a common carrier. May I submit the following definition from Hutchinson on Carriers, 3rd edition, section 27:—

'A common carrier is one who undertakes as a business for hire or reward to carry from one place to another the goods of all persons who may apply for such carriage, provided the goods be of the kind which he professes to carry, and the person so applying will agree to have them carried under the lawful terms prescribed by the carrier; and who if he refuses to carry such goods for those who are willing to comply with his terms *becomes liable to an action by the aggrieved party for such refusal.*'

'If goods are carried under a charter party giving to the hirer the whole capacity of the ship the owner is not a common carrier, but a private carrier for hire.'

Lamb vs. Parkman.

1 Sprague 343.

(4) Mr. Armstrong refers to Mr. Henderson's statement that the lake rates increased 20 per cent in 1913. I am not sure whether 1912 is meant, but the only fair way to refer to the rate and its changes is to examine its fluctuations over a considerable period, clearly shown in the statement we have filed with the committee covering a period from 1905 to date. The rate in 1914 is away down again.

(5) If the cost of improvements made by the Government in Canadian waterways and ports were for the benefit of certain established lines of boats, and for them only, the case might be parallel to a bonused railway. But the contrary is true. The expenditure was for the people of Canada and for the benefit of any one, even a foreigner, who might care to operate a vessel through the improved channels. There is no franchise and no monopoly.

(6) The railway does enjoy a franchise or monopoly on the road it uses and which the Government helped to build.

It operates between definite points on definite schedules on a fixed roadway.

It does not necessarily tie up a whole train and a train crew in taking on or unloading freight, and in any event it does not as a rule carry freight and passengers on the same trains, although it may so carry express traffic.

It is not subject to marine risks and does not pay from 5 per cent to 8 per cent for insurance against them.

Railway traffic does not include the infinite variety of classes of Carriers to be found among the vessels trading in any one district, which will include everything from a large vessel to a gasoline launch, from a steamer to an old-fashioned sailing craft, and from a long distance Carrier merely passing through the district to a vessel whose trade is confined to a very limited area.

The railway is not subject to variations in carrying capacity due to fluctuations in the available draft of water. In one year recently the gross earning capacity of one fleet was lowered at least 20 per cent by low water.

A variety of other differences might be named and the above are merely hasty suggestions.

(7) It is not right to suggest that vessel owners are not frank in stating that the proposed legislation may give rise ultimately to higher rates. What was said was that the small lines of vessels, unable to stand the proposed restrictions, may be crowded out in the race, that the larger fleets will survive even by a process of merging the smaller ones, and that competition being destroyed rates will naturally tend to go up. The larger companies, and those working with the railways, may enjoy some benefit, but at present all naturally prefer free competition without restrictions, and this should be best also for the individual citizen.

(8) It is merely necessary or advisable to attempt to deal with newspaper reports, but one should call attention to the fact that Mr. Armstrong does not mention the capitalization upon which the alleged net earnings of Canada Steamship Lines Limited are made.

(9) Mr. Armstrong appears to have misunderstood the contention of vessel owners that United States competition must be regarded. He suggests that the Customs regulations and coasting laws protect Canadian shipping enough. The contention was however that the proposed restrictions on Canadian trade would simply play into the hands of American competitors, and this contention is one which must be recognized.

(10) As to governing the speed of vessels in river channels the oversight of the railway board is not necessary. The Departments have sufficient jurisdiction, and already exercise it, notably on the Detroit River, in conjunction with the United States War Office. Certainly the Governor in Council has or can be given ample jurisdiction.

(11) As to the specific instances regarding east and west bound package freight referred to by Mr. Armstrong, it would be folly for me to attempt to answer on a single day's notice and without consultation with the management of the line of steamers mentioned. Our contention is clear that as to local freight by water, conditions of carriage are such that freedom of action on the part of the carrier is absolutely necessary, and that the natural and ordinary rules of open competition should govern. But I submit that the lines particularly interested are entitled to full opportunity to answer the statements now made against them by the Chairman of the Committee, and I would respectfully urge that no *ex parte* action should be taken.

(12) I refer again to what was said at a previous session of the Committee by Messrs. Richardson and Henderson on behalf of the Dominion Marine Association against the proposals in question, and I refer to the understanding then had with the Committee that vessel owners should rest their case until those demanding the legislation had come forward to give evidence, and that then at a later date full opportunity should be given for a careful reply.

The present is but a hasty and entirely inadequate comment on the Chairman's statement, presented because the Committee's last session is announced for the 28th, and so that the record may not be published without any answer whatever to what was said by the Chairman yesterday. It should be made clear that I have no opportunity to consult the interests I represent.

Respectfully submitted,

FRANCIS KING,
*Counsel for the Dominion
Marine Association.*

Ordered, That a report be made to the House submitting for the information of the House the proceedings of the joint meetings of the two Committees and such evidence as has been received by them, with the recommendation that the same be printed in blue book form.

The two Committees then adjourned *sine die*.

Attest.

N. ROBIDOUX,
Clerk of Committee, H. of C.

NOTICE OF MOTION.

By the Minister of Labour.

PROPOSED AMENDMENT TO NEW RAILWAY BILL.

Insert the following section after section 460.

Wages in Operation on Railways.

460 A. Every railway company shall on or before the 1st day of each month pay to each of its employees engaged in the operation, maintenance, or equipment, of its railway the wages earned by him during the first half or first fifteen days of the next preceding month, and on or before the 16th day of each month pay to each such employee the wages earned by him during the last half or remainder of the next preceding month.

2. The mailing of a cheque within the time allowed for payment shall be deemed to be payment within the meaning of this section.

WITNESSES

	PAGE
Archambault, J. L., city attorney, Montreal..	28-33
Church, Mr. Controller, Toronto..	96
Cook, Fred, U.C.M., Ottawa..	33
Drummond, H., Montreal Board of Trade..	118
Dunn, W. R., International Harvester Co..	105
Geary, G. R., corporation counsel, Toronto..	83
Hawkins, F., Can. Lumbermen's Association..	33
Henderson, L., president Dominion Marine Association..	42
King, Francis, counsel Dominion Marine Association..	39-51-58-60-97
Lighthall, W. D., Union Can. Municipalities..	37
McFee, Alex., Montreal Corn Exchange..	114
Price, Samuel..	41
Richardson, H. W., grain shipper, Kingston..	52
Walsh, J. E., Can. Manufacturers' Association..	97
Whitton, F. H., Steel Co. of Canada..	111

MINUTES OF PROCEEDINGS AND EVIDENCE.

SENATE COMMITTEE ROOM No 8,

OTTAWA, THURSDAY, May 14, 1914.

The Committee on Senate Bill (B2)—“An Act to Consolidate and Amend the Railway Act”—met at 11 a.m.

Senator Young and Mr. J. E. Armstrong in the Chair.

Mr. ARMSTRONG (Chairman) read the following communication from Mr. D. McCaughrin, representing the Order of Railway Telegraphers:—

WINDSOR HOTEL,

OTTAWA, 13th May, 1914.

Mr. J. E. ARMSTRONG, M.P.,
Chairman Spl. Ry. Committee,
House of Commons,
Ottawa.

DEAR SIR,—I regret very much my inability to attend the Committee meeting Thursday, as per arrangements of May 12, account my being obliged to attend Telegraphers Committee meeting of the Ontario Division on that date.

I shall however keep in touch with the progress of the discussions dealing with the Consolidation of the Canadian Ry. Act and will be on hand to give evidence when the Committee will be ready to deal with the Amendments which affect Railway Agents and Telegraphers.

Respectfully yours,

(Sgd.) D. McCAUGHRIN,
Legislative Representative
Canadian Railway Agents and Telegraphers.

Mr. ARMSTRONG (Chairman) read the following letter from the Acting Minister of Railways:—

OFFICE OF THE
MINISTER OF RAILWAYS AND CANALS,
OTTAWA, 6th May, 1914.

DEAR MR. ARMSTRONG,—For your information and the consideration of the Committee I beg to enclose herewith copies of two letters from E. B. Read, of London, England, making certain suggestions *re* clause 161 of the Railway Act.

Yours very truly,

(Sgd.) J. D. REID,
Acting Minister of Railways and Canals.

J. E. ARMSTRONG, Esq., M.P.,
House of Commons,
Ottawa, Ont.

The secretary read the letter of Mr. E. B. Read as follows:—

TEMPLE CHAMBERS,

TEMPLE AVENUE, E. C.,

April 23, 1914.

SIR, Being professionally interested in several of the smaller Canadian Railways, my attention has been drawn to Clause 161 of the Railway Act, at present before the Dominion Parliament.

It is submitted for your consideration that should this Clause be passed in its present form grave injustice may, in fact must be done to many unfortunate people who have invested their money in Canadian Railways, which through no fault of the investor have not proved successful.

The Clause as it stands means confiscation and if passed would undoubtedly frighten investors and stop the promotion of new Canadian railways.

Of course a Railway Company whether subsidized or not, must perform its public obligations, but in dealing with defaulters, at any rate with defaulters through misfortune, would it not be a wise and equitable policy for the Government itself to lend the necessary money, on such terms and conditions as in the circumstances of each case might seem fair, say to the Railway Commission with the consent of the Governor in Council?

At any rate if the Clause is to be proceeded with should it not be made quite clear that any prior lien to be created thereunder would not rank in priority to working expenses already incurred (as defined by the Railway Act, 1906) or to any moneys already raised to comply with requirements of the Railway Commission: otherwise further grave injustice will be done to those who have found money relying upon the priority given by the Railway Act, 1906.

On full consideration of the undoubted hardship which must be inflicted on the already most unfortunate investor, that you will advise some fair and equitable modification in the proposed legislation is most earnestly hoped.

I have the honour to be, Sir,

Your obedient servant,

(Sgd.) E. B. READ.

To the Hon. FRANK COCHRANE,
Minister of Railways and Canals,
Ottawa, Canada.

QUEBEC ORIENTAL RAILWAY COMPANY.

TEMPLE CHAMBERS, TEMPLE AVENUE,

LONDON, 23rd April, 1914.

SIR,

My letter of even date on the subject of Clause 161 of the proposed Railway Act now before the Dominion Parliament was written to you in consequence of my having had much to do with small railways in Canada which will be very seriously affected should the proposed clause be carried into law.

Take the case of this railway, 100 miles in length forming a connecting link between Intercolonial Railway at Matapedia and the Atlantic, Quebec & Western Railway System.

The Railway Commissioners have made an order on this Company which will cost a considerable sum of money to carry out, but owing to the general depreciation in Canadian securities and the exceptional conditions in the money markets of the world we have not at the present been able to borrow the required amount.

The long waited for development of the district however having at last commenced, there is no doubt that the railway will this year earn a considerable net revenue.

Now those whose money is at present invested in this line are in no way responsible for the unfortunate early history of the Company. They have kept the traffic going for many years in spite of having to provide for serious deficits and have not taken one penny out of the concern, but the whole of the earnings have been and still are being put into the line. And during the whole period there has not been a single accident on the railway of any consequence, a record of which any company might be proud.

They are not responsible for the slow development of the district served by the railway for,

It is not their fault that the Government in years gone by sold the rich timber limits along the line at low prices without imposing any obligations for their development. That consequently these limits have been held up for many years whereas had they been worked, this line from that source alone would have received enough traffic to make it a paying concern.

It is not their fault that all the splendid fishing rights have been sold or leased to a few rich men so that there is no inducement for sportsmen to come into the district.

It is not their fault that the line has to compete with a steamer subsidised by Government, so that in the summer it has had to share the traffic, but in the winter when the traffic is unremunerative while the subsidized steamer has been able to lay up, the railway has had to run in the public interest at serious loss.

That the district has reaped great benefit from the railway is evidenced when it is compared with the district eastwards, which until recently has had no railway serving it, and the people of Canada have already had the value of the Government subsidies many times over whereas the owners of the railway have up to now only suffered grievous loss.

Our manager, Mr. Chas. R. Scoles, assures us that if we can find the necessary money to carry out the requirements of the Railway Commission we shall at once have a net revenue more than sufficient to pay the interest on the necessary capital expenditure.

It is most earnestly submitted that this is clearly not a case for confiscation but for Government help, both in the interest of the district served, and in fairness to the unfortunate investor who is now within measurable distance of reaping some reward after waiting so long.

I have the honour to be, Sir,

Your obedient servant,

E. B. READ,
President.

To the Hon. FRANK COCHRANE,
Minister of Railways and Canals,
Ottawa, Canada.

Senator LOUGHEED.—Does Mr. Read seem to assume that this is new legislation?

Mr. ARMSTRONG (Chairman).—Evidently so.

Senator LOUGHEED.—This section 161 was passed in May, 1911; it is the old law; the phraseology is slightly changed, that is all.

Mr. ARMSTRONG (Chairman).—What is it you wish to do with these communications?

Senator POWER.—I think it is better to leave it until the clauses come up; there is no object in taking up the clauses now.

Senator ROSS (Middleton).—Mr. Read ought to be notified that his letters have been read before the Committee.

Mr. MACLEAN.—Let it be taken up when the clause is reached.

Senator BEIQUE.—As Mr. Read's first letter deals with section 161 it might possibly be well to have it printed so that when we come to examine 161 we would have the subject there for consideration.

Senator YOUNG (Chairman).—We have with us the solicitor of the city of Montreal, who wishes to address you and present some documents.

Mr. J. L. ARCHAMBAULT, K.C.—With the kind permission of the Committee I appear in the name of the city of Montreal. This morning I received documents with instructions to appear before you, though I did not expect to come here as I was called before the Supreme Court yesterday. I have a very important document to lay before your Committee in connection with this Bill, from our Chief Engineer in charge of the railway business of the city of Montreal, Mr. McLeod. This is all technical work with which I am not very familiar, yet we are bound to leave the document before you and express our view on the matter, or else I would put the document into the hands of the Chairman to read over. It is a long document, and very important, dealing with certain clauses of this Bill, with the remarks of our engineer attached to the different clauses to which we wish to call the attention of your Committee.

Senator KERR.—What sections are affected?

Mr. ARCHAMBAULT, K.C.—They are quoted each in turn—section 162 and then 169 with the remarks attached to each clause, and section 194.

Senator BEIQUE.—The document will be read.

Mr. ARCHAMBAULT, K.C.—It is better that the document should be read at your own convenience; I do not insist on every clause today if you are not ready to go on with all of them. The best thing is to present the document.

Senator POWER.—I think we had better have it read.

Mr. ARCHAMBAULT, K.C.—You will excuse the fact that the matter has been sent in such a hurried way that the document is not signed with the proper signature of Mr. McLeod, but this is a copy which has been sent to me by special delivery this morning. I will have a copy made.

Senator YOUNG (Chairman).—Have you any comments to make on the communication.

Mr. ARCHAMBAULT, K.C.—The comments are given with each clause.

Senator YOUNG (Chairman).—You have nothing to add?

Mr. ARCHAMBAULT, K.C.—I have nothing to add, no. The best argument I can put before you, gentlemen, is to read the remarks attached to each clause upon which we desire to call the attention of your committee.

Senator YOUNG (Chairman).—Will you undertake to furnish the committee with a properly signed document?

Mr. ARCHAMBAULT, K.C.—Yes, on my return to Montreal I will send copies signed by Mr. McLeod.

Senator YOUNG (Chairman).—Has Mr. McLeod prepared this with the sanction of the city of Montreal.

Mr. ARCHAMBAULT, K.C.—Oh, yes, the first paragraph shows that the matter has been submitted to the law department; it was prepared by the legal department of the Board of Control.

Senator YOUNG (Chairman).—Pardon me, but this document starts out addressed to "Mr. George Janin, Chief Engineer of Public Works, City Hall." This is addressed

to him by Mr. McLeod, but what we want to know is whether this document contains the views of the city of Montreal?

Mr. ARCHAMBAULT, K.C.—Oh, yes, it has passed through the Board of Control.

Senator YOUNG (Chairman).—You will furnish us with that evidence?

Mr. ARCHAMBAULT, K.C.—We will furnish everything in connection with it.

Mr. MACLEAN.—Have we to read all that now?

Senator POWER.—I think the better way is to read it; otherwise there will be questions as to whether it shall be printed or not, and when it is read it goes on record.

Secretary HINDS then read the document as follows:—

April 28th.

Mr. GEO. JANIN,
Chief Engineer of Public Works,
City Hall.

“BILL B-2” TO AMEND RAILWAY ACT.

DEAR SIR,—Referring to attached letter of March 30 from the City Attorneys relative to “Bill B2” to consolidate and amend the Railway Act, which is now under consideration by the Parliament of Canada. After carefully studying all the sections of this Bill which provide for regulation of the construction, operation and maintenance of railways, telephones, telegraphs and other wire lines, in so far as said sections affect the interests of the city, I would report as follows,—the number of sections referred to being those of the new Bill:—

Section 162.

Makes the same provisions as the corresponding sections in the old Act, but I consider it would be well if a clause could be added stipulating that in towns and cities, where the grade of the railway is likely to seriously affect the plans and profiles of streets, sewers and other works of the city, actual construction must begin within one year after the plan and profile is approved by the Board.

Under the present Railway Act there is no such provision and the result is that after the plan and profile is served on the city and approved by the Board, the company may allow matters to stand indefinitely, while the city is seriously hampered in carrying out its grading of streets, putting in sewers and pipes, and giving levels to proprietors intending to build on lots affected directly or indirectly by the proposed construction of the railway.

163 (c) reads as follows:—

“The company, —————purchase, take and hold of and from any person, any lands or other property necessary for the construction, maintenance and operation of the railway, and also alienate, sell or dispose of, any lands or property of the company which for any reason have become not necessary for the purposes of the railway.”

Remarks,—

This constitutes one of the “general powers” of the company and it is not cited as unreasonable, but in conjunction with this we should consider the clause providing for approval of right of way plans; which reads, in part, as follows:—

169-2. "This plan shall show,—

- (a) The right of way, with lengths of sections in miles;
- (b) The names of terminal points;
- (c) The station grounds;
- (d) The property lines and owners' names;
- (e) The areas and length and width of lands proposed to be taken, in figures, stating every change of width."

Remarks.

The above mentioned plan is to be approved by the Board, and a copy is to be served on municipalities interested, as well as filed in proper Registry offices. In one important instance which has come to our knowledge during the past year, namely, where the C. N. O. Ry. passes through Longue-Pointe Ward, Montreal, the Company's plan, approved by the Board some years ago, provided for a right of way 100 feet wide, but the Company actually purchased a strip of land 279 feet wide, and after a layout of streets had been homologated by the City and construction of a street was commenced, which would cross the railway, the Company claims that their width of 279 feet was acquired for a yard and will be used as such, and is demanding that the City construct a bridge to carry the street across the full width of 279 feet with the statutory clearance of 22 feet 6 inches above its tracks.

I would recommend that the Law Department, in dealing with this matter should endeavour to have a clause added to the Bill obliging companies, to submit definite plans and profiles showing the dimensions of the extra lands to be actually used for yards, &c., as the City is certainly entitled to definite information, which shall be binding, and shall govern in working out the City's plans for streets and other works in the vicinity of the proposed railway.

Section 194.

Two new clauses, Nos. 4 and 5, are proposed, authorizing the Board of Railway Commissioners, either on application made by a city, or on its own motion, to avoid the construction of two or more railways through one neighbourhood by ordering a new railway to use the right of way of an existing railway, or in the case of two or more new railways entering a city by ordering that they shall combine in using one new right of way, or use the right of way of an existing railway.

These clauses are distinctly favourable to the interests of the city, and should be supported.

Section 252 (6).

A new clause, which provides that the Board may, on the application of a municipality, order a company to provide a passageway for the public on any of the company's bridges which are being constructed, reconstructed or materially altered, the additional cost of this extra construction to be paid by the municipality or municipalities as the Board may direct.

Remarks.

This clause is advantageous to the municipalities, but circumstances might arise wherein it would be unfair that the municipalities should bear the whole cost of the public passage-way, and it would therefore seem advisable to have the clause read that the 'additional cost—shall be apportioned by the Board as between the municipalities and the company—.' This would leave the Board free scope to have the cost charged to the proper parties, without fixing the apportionment absolutely as in the draft Bill B 2.

Section 256.

Subsection 1 of this section is amended by adding two important clauses, viz. (a) the Board shall not grant leave to carry a street railway or tramway, or any railway to be operated as a street railway or tramway, along any highway in any city or incorporated town until the company has first obtained consent therefor by a by-law of the municipality and (b) where leave is granted to carry any railway along a highway, the Board may require the company to make such compensation to the municipality as the Board deems proper.

Remarks:

These two clauses are important to the city, and as it is quite possible that the railways will endeavour to prevent their insertion in the new Act, the representatives of municipalities should use their efforts to support the clauses.

Section 259.

“The Board shall without limiting any general power elsewhere conferred, have power, for the purpose of diminishing the danger at any highway crossing with any railway heretofore or hereafter constructed, to order, (a) that any trees, buildings, earth or other obstruction to the view which may be upon the railway, the highway or any adjoining lands, shall be removed; (b) that nothing obstructing the view shall be placed at such crossing or nearer thereto than the Board designates; and for any such purpose the Board shall have power to authorize or direct the expropriation of any land, the acquirement of any easement and the doing of anything deemed necessary, and shall have power to fix and order payment of such compensation as it deems just.”

Remarks.

This is a new section and is quoted above in full, as it may be of such far-reaching importance to the city, that it requires careful study. For example, if this section becomes law, the City might perhaps become involved in damage suits by reason of giving building-permits and levels for the construction of buildings in the immediate vicinity of the railway where it is intersected by a street. This, and numerous similar questions which may arise in connection with this section, is a matter to be dealt with by the Law Department.

It may be noted here, that from an engineering viewpoint the principles of the section are desirable, in the interests of public safety. Frequently in the past, disputes have arisen between municipalities and railways, more especially in regard to serious obstructions to the view at country highway crossings, where the danger could be materially decreased by removing trees, buildings, hillocks, &c. Such cases have been settled by the Board, without any special powers therefor being provided in the Railway Act.

It is possible that the framers of the Bill do not intend that the principles of this section shall apply more extensively in cities than they have in the past, but I suggest that it may be well worth while for the Law Department to see whether the Section should be altered in any way to protect the rights of the City.

Section 263.

Contains several amendments (dealing with the ‘Railway Grade Crossing Fund’) all of which are favourable to the interests of municipalities and are merely cited here for the information of the Law Department.

Subsection 1, is amended by a clause restricting contributions from this fund to cases ‘where the companies are not under obligation to bear the whole cost.’

Subsection 3, is amended by increasing the maximum percentage from 20 to 25 per cent of the cost of actual construction work and increases the maximum amount of such contribution from \$5,000 to \$15,000; and the words:

'And no such money shall in any one year be applied to more than three crossings in any one municipality or more than once to any one crossing,' are changed to read,

'And no such money shall in any one year be applied to more than six crossings on any one railway in any one municipality or more than once in any one year to any one crossing.'

It will be seen that under the existing arrangement the total maximum amount that a municipality could receive from this fund in any one year would be \$15,000.

Under the new Bill, a municipality could receive as much as \$90,000 in connection with each of the railways within its limits, provided of course that the fund did not become exhausted. The new wording 'more than once in any one year to any one crossing' may possibly contain an error.

Section 264.

This section is the same as before, and I would recommend that an effort be made to add an amendment to the effect that in cities and towns the minimum width of the highway at any overhead crossing of any railway to be constructed hereafter shall not be narrowed to less than the existing width of the street. The minimum width of 20 feet provided for in the Railway Act may be satisfactory in many locations in the country, but should never in any circumstances be permitted within the limits of a city.

Section 268.—Subsection 1, which is the same as before, reads as follows:—

'The inclination of the ascent or descent, as the case may be, of any approach by which any highway is carried over or under any railway, or across it at rail level, shall not, unless the Board otherwise directs, be greater than one foot of rise or fall for every twenty feet of the horizontal length of such approach.'

Remarks.—I would recommend that, if possible, a new subsection should be added to the effect that in towns and cities, in the case of every railway to be constructed hereafter, the grade of any approach by which a street is to be carried over or under the railway or across it at rail level, shall be specially determined and approved by the Board, without regard to the maximum grade stipulated in subsection 1, and that the whole cost of altering the grade of the street including alterations to pavements, sidewalks and other works shall be borne by the company.

The reason for recommending the above amendment is that, under this section as it is at present, the company submits its plan for a street crossing and almost always adopts a one-in-twenty grade. This plan is usually approved by the Board as a matter of course, but the grade of 1-in-20 turns out later to be unsatisfactory and the city when changing the grade of its street to a less steep inclination is unjustly compelled to bear an expense which would not have arisen if the railway had not entered.

It is hoped that the above remarks will not be taken as inferring that the Board has in the past dealt unjustly with municipalities in this respect. It is merely an explanation of what usually occurs, largely because the representatives of both the railways and the municipalities have in the past considered that the maximum amount of grading for which the company is responsible in the quantity resulting from a 1-in-20 grade.

Sections 367 to 378.—Dealing with telegraph, telephone, electric power and other wire lines belonging to companies within the legislative authority of the Parliament of Canada, contain a considerable number of new clauses. So far as I can see these sections contain nothing objectionable, and it only remains

to determine whether the Bill is comprehensive enough to cover all possible contingencies.

Probably the best method of determining this would be to wait until after the Act is in operation for a year or two.

Respectfully submitted.

Yours truly,

(Sgd.) Mr. McLEOD,
Engineer in charge of Railways, etc.

Mr. ARCHAMBAULT, K.C.—I have nothing to add to these remarks, which were the statements of the city's expert on railways. I do not know the practice of the Committee but perhaps this document should be printed.

Senator BEIQUÉ.—It will have to be supplemented by a signed document.

Mr. ARCHAMBAULT, K.C.—Yes.

Senator BEIQUÉ.—This gentleman makes suggestions to the Law Department in this document. I move that this document be printed.

Senator YOUNG (Chairman).—It is a report from one engineer to another, and he refers to the Law Department. He means the Law Department of Montreal.

Mr. ARCHAMBAULT, K.C.—Yes.

Senator YOUNG (Chairman).—The document should be reworded and sent to the Committee.

Senator BEIQUÉ.—The form of wording does not matter.

Senator POWER.—It will go on record as a matter of course as a part of Mr. Archambault's statement, and will be printed in the record.

Mr. ARMSTRONG, M.P. (Chairman).—We understand the city council of Montreal endorse this letter.

Mr. ARCHAMBAULT, K.C.—It was before the city council first. It was sent by Mr. McLeod to Mr. Janin, and Mr. Janin reported, and sent all the papers to the Law Department of the city. I did not expect to be here. I had some business before the Supreme Court yesterday, and I received an intimation to be here, and I received those documents this morning.

Senator YOUNG (Chairman).—Mr. Frank Hawkins, secretary of the Canadian Lumbermen's Association is here and wishes to announce his desire to be heard at a future date. When will you be ready, Mr. Hawkins?

Mr. HAWKINS.—I cannot say at present. I will give an answer on Tuesday.

Mr. ARMSTRONG, M.P. (Chairman).—You would not be able to present your views on Tuesday?

Mr. HAWKINS.—I could announce then when I would be ready.

Mr. FRED. COOK.—I said at the last meeting that we expected to have counsel here, but in view of the fact that the committee made a definite appointment to hear the telegraphers this morning, I informed Mr. Lighthall, the honorary secretary of the union, that it would not be necessary to be here to-day. In connection with the document submitted by Mr. Archambault, I think I should explain that I am interested. Some weeks ago our union, fortified by a strong delegation from the cities of Toronto and Montreal, waited upon the Minister of Railways, and we had the pleasure also at that gathering of having present with us Mr. Price, and Mr. Drayton, the Chief of the Railway Commission, so that these gentlemen might know what the municipalities were asking for. Some of our suggested amendments have been embodied in the Bill. I think I can say, speaking generally, that the municipalities are fairly well pleased with the Bill as it is, but you will quite understand that circumstances alter cases. There may be certain conditions in different parts of the country which are covered by a general law. When the Bill was printed it was not quite possible for me to obtain

300 copies, but we had a communication sent to the different municipalities throughout Canada advising them that the Bill was ready, and asking them to consult with their Senator or Member of Parliament and see if there were any suggestions which they had to offer to this committee. Mr. Archambault's representation, which he has submitted this morning, is on the initiative of this union of municipalities. As he has pointed out, the legal department of the city of Montreal has presented a memorandum which I think you will consider very fair. All I have to say is that there may be many other documents of this character, possibly some dealing with the same clauses, others dealing with different clauses, and I think it is only fair to the committee that I should make this statement this morning, so that you may anticipate what you will receive from all parts of Canada, so far as the municipalities are concerned.

Mr. MACLEAN. A gentleman who is outside the bar says that he represents the manufacturers and millers, but he heard that a gentleman was to address the committee this morning who was to represent the lumber industry; they ought all to be heard in connection with the traffic clauses. But in order to make some progress, I would urge my motion that we proceed with the consideration of the Bill. I move that we proceed to go through the Bill and, as we go along from time to time, give the public notice what clauses will come up for consideration.

Senator WATSON. Mr. Watts, on behalf of the traffic interests, and another gentleman on behalf of lumber—these gentlemen must know something about this, and if they are not prepared here to-day I think they ought to be here next Tuesday.

After some debate on procedure the motion to adjourn was put and carried.

The committee adjourned at 12.15 until Tuesday, May 19, at 11 a.m.

SENATE COMMITTEE ROOM No. 8,
OTTAWA, TUESDAY, May 19, 1914.

The Committee on Senate Bill (Bill 2): "An Act to Consolidate and Amend the Railway Act" met at 11 a.m.

Senator Young and Mr. J. E. Armstrong, M.P., in the Chair.

Mr. COCKSHUTT.—I am here on behalf of the Board of Trade of the City of Toronto to present a communication I have received from them in connection with the matters that are coming before your Committee. This document is dated May 15, 1914, and reads as follows:

W. F. COCKSHUTT, Esq., M.P.,
House of Commons, Ottawa.

DEAR SIR,—Referring to your favour of the 13th inst. addressed to Mr. Lorley.

As you are probably aware, the Council of the Board have given the Railway and Transportation Committee the necessary power to take what action it may consider expedient with regard to appearing before the Joint Committee of the House and Senate in connection with the proposed Act to Amend and Consolidate the Railway Act.

Upon your communication being turned over to this Department I communicated with Mr. Peleg Howland, Chairman of the Committee, to inform him of its contents and we decided to write you enclosing a copy of the Board's representations to the Honourable the Minister of Railways and Canals with respect to extending the jurisdiction of the Board of Railway Commissioners over special services rendered by the railways, and same is enclosed herewith.

If you consider it advisable, will you please hand this communication to the Chairman of the Joint Committee, or the proper party to receive it, and, if you can arrange for a date on which the Joint Committee will be prepared to take up the question and, if necessary, hear a deputation from this Board on the subject and will so advise, we will arrange for the representation to go to Ottawa. We understand the Joint Committee is sitting on Tuesdays and Thursdays. It would not be practicable for our representatives to appear before the Committee next Tuesday, the 19th May, but possibly any subsequent date would be satisfactory.

Yours faithfully,

T. MARSHALL,

Manager.

This is signed by Mr. T. Marshall, the Traffic Manager of the Toronto Board of Trade, and that gentleman has given a good deal of attention to this matter. He forwarded to me a communication which was sent to the Minister of Railways, in which he sets forward the various points which the Toronto Board of Trade desire an opportunity of placing before this Committee.

Mr. F. W. MACLEAN, M.P.—What are those points he refers to?

Mr. COCKSHUTT, M.P.—This document is rather lengthy and the points are set out by numbers.

The CHAIRMAN (Mr. Armstrong) read the communication to the Committee as follows:—

Revision of the Railway Act extending the jurisdiction of the Board of Railway Commissioners over special services rendered by the Railways.

Our representations are contained in a communication of February 17 last, addressed to the Honourable the Minister of Railways and Canals, copy of which was forwarded to the Prime Minister on same date.

What we desire to lay before the Government for consideration in connection with the revision of the Railway Act is the question of extending the jurisdiction of the Board of Railway Commissioners over special services rendered by the Railways.

Chapter 37, the Railway Act;

Section 314 provides for the issuance of tariffs of tolls by the carriers;

Section 315 provides for the equality of all such tolls;

Section 317 provides for facilities for traffic, and that no undue preference or discrimination shall be shown;

Sections 321, 322 and 323 provide that such tariffs of tolls shall be subject to the jurisdiction of the Board of Railway Commissioners; and

Amended paragraph 30, Section 2, provides for definition of 'toll' and 'rate'.

Section 323 provides that:

'The Board may disallow any tariff or any portion thereof..... and may require the Company.....to substitute a tariff satisfactory to the Board in lieu thereof.....'

Amended paragraph 30, Section 2, sets forth the definition of the term 'toll' and 'rate', as applied in connection with services rendered by a common carrier. These services are specifically enumerated.

The Board, under the powers conferred upon it under the foregoing Sections, has unquestionable authority over the toll, but it has found itself at times lacking in the necessary authority to control the service, particularly in connection with some of the services which might be considered as 'incidental to the business of a carrier.' These services, some of which are specifically enumerated in amended paragraph 30, Section 2, have been styled by the Railways as 'special' services or 'privileges', over which they claim the Board

has no jurisdiction, and which they may amend or cancel as may best suit their purpose.

This Board of Trade is of the opinion that, in amending paragraph 30, Section 2, Parliament must have had in view the vesting in the Board of Railway Commissioners of the necessary power to not only control the toll, but also the service on which the toll applied, otherwise the Board's control of the toll could be rendered abortive by a Railway ignoring an Order of the Board for the adjustment of a toll by simply withdrawing the service.

To cite a number of instances where the Board has found the lack of the necessary jurisdiction:—

Judgment of the Board rendered in connection with an application of the Montreal Board of Trade for an Order directing the Canadian Pacific Railway Company to furnish tariffs covering milling-in-transit arrangement on corn received at Montreal by rail from Georgian Bay elevator ports and from Detroit, etc. Order No. 9 (32) (B.R.C. File 12384) reading in part:—

We cannot require a railway company to establish a milling-in-transit rate on anything; it is optional with them to do it. If they choose to do it themselves, then they may get under our jurisdiction if it discriminates against anybody. But in the absence of any milling-in-transit rate on corn for local consumption, I do not see how it can get under our control at all. We cannot require them to put in such a rate as I understand it. If they do and then if discrimination follows, it would come under the discrimination clause.

It would appear to this Board of Trade that even the discrimination clause referred to in the foregoing extract from the judgment could be rendered abortive by a railway ignoring an Order of the Commission to establish a similar service for a person or persons by withdrawing a service in effect in another locality to the detriment of such locality, and in respect to which they were quite willing to publish up to the issuance of an order requiring its extension to other districts.

Also:—

Judgment of Mr. Commissioner McLean (B.R.C., File 19666), attached to Order No. 18825, in the matter of the application of Simcoe Fruits, Ltd., for stop-over, for completion of carloads of fruit, in transit, in which appears the following:—

It is established by various decisions of this Board as well as by decisions of the Interstate Commission that the transit practice is a privilege, not a right.

Judgment of Assistant Commissioner Scott (B.R.C. File, 1966), shipping of fruit to concentration points for storage and inspection, in which appears the following:—

I believe there is sufficient doubt about the Board's power to make such an Order (referring to Order No. 18825 of March 5, 1913) to warrant us in referring the matter to the Supreme Court.

Judgment of Mr. Commissioner McLean (B.R.C. File 18663) in the matter of cartage arrangements in Eastern Canada, as rendered September 25, 1913, in which the following statement is made:—

The Board has no power under the Railway Act to order it (the railway) to make arrangements as to this cartage service with bodies over which it has no control whatever.

We submit that the sections of the Act giving the Board power to control the toll, and to remove discrimination as between shippers and localities are

incomplete and ineffective unless the Commission obtains within the Act the necessary power to control the service.

Mr. W. F. MACLEAN, M.P.—Mr. Lighthall is present and desires to present a memorandum from the Union of Canadian Municipalities.

Mr. W. D. LIGHTHALL.—I have been asked by the Union of Canadian Municipalities, which I represent, to present a brief memorandum, which reads as follows:—

To the Hon. Joint Committee on revision of Railway Act.

The Union of Canadian Municipalities declare that they approve in general of this Bill as drafted, reserving any possible objections that may arise during the discussion and leaving the several municipalities who are members of the union free to make special suggestions should any so desire.

Section 373, subsection 9, ought to contain the words 'or local telephone service' after the word 'electricity.'

The Union of Canadian Municipalities, by

F. C. BLIGH, *Mayor of Halifax,*
President, U.C.M.

W. D. LIGHTHALL,
Hon. Secy. U.C.M.

OTTAWA, May 19, 1914.

Mr. ARMSTRONG (Chairman).—What are your wishes as regards the date to be set for the Toronto Board of Trade?

Senator YOUNG (Chairman).—The Montreal Board has similar views. They have written as follows under dates May 15, and May 18:—

Gentlemen,—I have the honour to say that the Council of this Board, with the assistance of its Transportation Bureau, has given consideration to Bill B2 'An Act to consolidate and amend the Railway Act,' and that it takes strong exception to the provision of the following portion of section 358.

'and the provisions of this Act in respect of tolls, tariffs and joint tariffs shall, so far as deemed applicable by the Board, extend and apply to all freight traffic carried by any carrier by water from any port or place in Canada to any other port or place in Canada.'

The Council is of opinion that it is inadvisable to apply the provisions of the Railway Act in respect of tolls, tariffs, and joint tariffs on freight traffic carried by water between ports in Canada. There are a great many reasons why the Council considers this inadvisable, the chief being a strong belief that the jurisdiction of the Board of Railway Commissioners would tend to limit competition between the water carriers themselves, which in turn would tend to decrease the competition between water carriers and the railways. Montreal is located on a waterway reaching some thousand miles from the Atlantic and some thousand miles further inland to Fort William, and it is essentially to the advantage of Montreal merchants that there should be no restriction to competition between the water carriers themselves or between the water carriers and the railways.

The Council, therefore, earnestly prays your committee to reject the above quoted clause of said Bill.

I have the honour to be,
Gentlemen,

Your obedient servant,
GEO. HADRILL,

Secretary.

Hon. FINLAY M. YOUNG,
J. E. ARMSTRONG, Esq., M.P.

Chairmen of the Joint Committee of the Senate and House of Commons on Bill B2 'An Act to consolidate and amend the Railway Act.'

MAY 18, 1914.

Gentlemen,—I have the honour of again addressing you with regard to Bill B2 'An Act to consolidate and amend the Railway Act,' and to say that the Council of this Board considers that provision should be made to extend the jurisdiction of the Board of Railway Commissioners for Canada over special services, incidental to the business of a carrier, rendered by the railways, which services, covering such special arrangements as Stop-Over, Re-Shipping, Milling-in-transit, etc., have been styled by them 'special services' or 'privileges' over which the railways claim the Board of Railway Commissioners has no jurisdiction, and, therefore, that they (the railways) may grant, amend or cancel as may best suit their purpose, provided of course this is done without unjust discrimination.

The Toronto Board of Trade wrote the Honourable the Minister on this subject on 17th February last, strongly recommending that the Railway Act should be amended so as to give the Board of Railway Commissioners power to control or to order any services incidental to the business of a carrier, which in the Railway Commissioners' judgment is in the public interest, and as the Council of this Board heartily concurs in the views of the Toronto Board it urges upon your Committee that in the proposed revision of the Railway Act the Board of Railway Commissioners be given power to control or order all such services.

I have the honour to be,

Gentlemen,

Your obedient servant,

GEO. HADRILL,

Secretary.

HON. FINLAY M. YOUNG,

J. E. ARMSTRONG, Esq., M.P.

Chairmen on the Joint Committee of the Senate and House of Commons on Bill B2 'An Act to consolidate and amend the Railway Act.'

Mr. ARMSTRONG, Chairman.—We will instruct the Secretary to notify the Montreal and Toronto Boards of Trade to appear before the Committee on Tuesday next. I have a telegram from the International Harvester Co., Hamilton, Ont., as follows:—

HAMILTON, ONT., May 18, 1914.

J. E. ARMSTRONG, M.P.,

Chairman Joint Committee House of Commons,
Ottawa, Ont.

Just received notice that proposed revision of Railway Act contains drastic regulations of goods by water such regulations not clearly understood and we ask for sufficient postponement giving us opportunity of expressing our views, will you advise when we can appear before committee.

INTERNATIONAL HARVESTER CO.

Mr. ARMSTRONG (Chairman).—I have another telegram from the Steel Co. of Canada, Hamilton, Ont., as follows:—

HAMILTON, ONT., May 18, 1914.

Chairman Parliamentary Committee,

House of Commons, Ottawa, Ont.

Just advised committee tomorrow will consider placing vessels under Railway Act. We desire enter most emphatic protest against any action being taken without giving us chance to be heard as we are most vitally interested in this

question in competition with rails from Buffalo, Cleveland, Chicago, etc. we shall be glad to appear when required but must have reasonable time to prepare our case.

STEEL COMPANY OF CANADA.

Mr. ARMSTRONG (Chairman).—I have the following letter from His Honour Judge Snider, of Hamilton, Ontario:—

April 28, 1914.

Dear Mr. Stewart:—

My attention has been called to a provision in the proposed Railway Act which will require the County Court Judge to be the sole arbitrator in all railway arbitrations in his County without any pay for doing it and without any increase in salary. At present as you know when a judge is chosen by the parties to the arbitration he gets paid for his service—arbitrations are not in the County Court and are not included in the duties for which we are paid our salaries. This provision would be most unfair. I write to ask that you will give the matter your consideration and see that the County Court Judges are not treated so unfairly.

Yours very truly,

COLIN G. SNIDER.

T. J. STEWART, Esq., M.P.,
House of Commons, Ottawa.

Mr. ARMSTRONG (Chairman).—I understand the vessel men are here this morning.

Mr. FRANCIS KING.—Counsel for the Dominion Marine Association: We are here, Mr. Chairman.

Mr. ARMSTRONG (Chairman).—Perhaps I had better not take up the time of the Committee with further communications now, as we wish to hear the vessel men this morning, and when they get through we will deal with those matters a little later on.

Mr. FRANCIS KING.—I appear as counsel for the Dominion Marine Association—an association which comprises in its membership practically all the vessel tonnage on the inland waters from Montreal to Fort William, the Great Lakes, the River St. Lawrence and tributary waters, including side lines such as the Muskoka and Huntsville, Lake of Bays, etc., etc. If you will allow me I will give you the names of the gentlemen who are with me to-day, and who propose to address the Committee at greater length than I propose myself, who are all members of the Executive Committee of the Dominion Marine Association:—Mr. Lawrence Henderson, managing director of the Montreal Transportation Co. of Montreal, is president of the Dominion Marine Association, and will present the views of the association as a whole; Mr. A. A. Wright, managing director of the St. Lawrence and Chicago Steam Navigation Co. of Toronto; Mr. H. W. Richardson, of Kingston, whom you all probably know, and who appears in the dual capacity of vessel owner and shipper, and who will perhaps speak from both points of view; Mr. W. E. Burke, and Mr. C. B. Harris, representing Canada Steamship Lines, Limited, the recent large amalgamation; Mr. Denis Murphy, last but not least, of the Ottawa Transportation Co., I want to be very brief myself, and I think perhaps the best thing I can do is to simply call on these gentlemen. Before calling on Mr. Henderson, may we have it understood clearly just what the discussion is about this morning? I am in doubt. There is a section 358 in the Railway Act which appears to amplify the powers of the Board with reference to vessels. They were heretofore confined to jurisdiction over those lines which were in the control of the railways.

Senator LOUGHEED.—May I suggest that Mr. Price is present at the wish of the Committee, and before these gentlemen address the Committee on the question before us I would suggest that Mr. Price, who prepared this Bill, be heard stating what the law was before, and the changes that the new Bill proposes to make.

Mr. KING.—May I be allowed to add one suggestion? I understand that the chairman, Mr. Armstrong, also has a Bill in the House of Commons, and that there is some intention of asking its incorporation in the general Bill now before the Committee.

Mr. ARMSTRONG (Chairman).—I have the clauses here.

Senator LOUGHEED.—On what do you propose addressing the Committee? The Bill as now before us?

Mr. KING.—We wish to find out really what the Committee is discussing. We are a little in doubt as to whether Mr. Armstrong's Bill was before the Committee or merely the general Bill.

Mr. ARMSTRONG (Chairman).—I intended to have the amendment I have here placed before the Committee, but I did not think it was wise to take up the time this morning.

Mr. KING.—We do not think it wise to take up the time of the Committee in talking about things in which the Committee is not interested, and with deference we would like to know what the Committee would like to hear from us.

Senator YOUNG (Chairman).—The Committee would like to hear your case.

Mr. MACLEAN, M.P.—I would like to hear what the new proposal is. This is a new measure, and they are widening the jurisdiction so as to include vessels. I agree with Senator Lougheed in saying that we ought to hear Mr. Price first, and have him explain to us what the Bill proposes to do in the way of widening the powers of the Commission. That will take only a few minutes, and then representatives of the shipping interest can address themselves to the new proposal, whatever it is.

Mr. ARMSTRONG (Chairman).—I understand that Mr. Price has had under consideration the Bill which I have before Parliament, and that to some extent that was the cause of its being placed in the revision. I move that clause 358 in the Consolidated Railway Act be amended as follows:—

Mr. Armstrong, M.P., moves to substitute this clause for clause 358 in the Consolidated Railway Act Bill. (As drawn, this clause will apply to all steamers, etc., leaving Canada).

358.—The provisions of the Act shall so far as deemed applicable by the Board extend and apply to the traffic carried by any Company or persons by sea or by inland water between any ports or places in Canada or between any port or place in Canada and any port or place out of Canada and the provisions of this Act in respect of tolls, tariffs and joint tariffs, traffic agreements, classification of freight accommodation for traffic, shall so far as deemed applicable by the Board extend to and apply to all freight traffic carried by water from any port or place in Canada to any other port or place in Canada or out of Canada. And all questions of the places along the line of route where vessels shall call for traffic and the time of call and duration of stay shall be subject to the approval and control of the Board.

Mr. MACLEAN, M.P.—What are you reading? Is that your proposal?

Mr. ARMSTRONG (Chairman).—Yes, I am merely putting it before the Committee.

Mr. NESBITT, M.P.—You will have that printed in the regular procedure?

Mr. ARMSTRONG (Chairman).—It is bringing all the traffic on waters under the Railway Commission, or in a vessel touching our ports. I will not take the time this morning to explain that clause.

Senator KERR.—I understand your proposal is to affect not merely inland freight or freight on the lakes, but freight for export to foreign countries, whether that had been on the lakes or not?

Mr. ARMSTRONG (Chairman).—We have some eighty-five hundred vessels in Canada. My proposal merely asks all vessel men that they file their tariff rates and arrangements with the Railway Commission. There is no question or doubt of our having the power to have this clause inserted in the Railway Act, because it does not interfere in any way with the marine laws.

Senator WATSON.—But the Railway Commission have to approve of those tariffs?

Mr. ARMSTRONG (Chairman).—Undoubtedly. It merely shifts those tariffs under the Railway Commission, the same way as the railways.

Mr. NESBITT, M.P.—That is an amendment proposed to section 358 of the Railway Bill.

Mr. SAMUEL PRICE.—The change proposed in the Bill regarding traffic by water is simply this: As the law now exists, apart from the new Bill, traffic by water between points in Canada carried on by boats belonging to a railway company is already, so far as freight tolls and tariffs are concerned, under the jurisdiction of the Board. At the present time the old Act gives the Board jurisdiction over water traffic between points in Canada when that water traffic is carried by a railway company, otherwise within the jurisdiction of the Parliament of Canada. We are proposing briefly to extend that principle so that tolls, tariffs and joint-tariffs of all freight traffic carried by water, whether by a railroad company or not, shall be within the jurisdiction of the Commission, and only to that extent.

Mr. MACLEAN, M.P.—When you say by water, is it sea-borne?

Mr. PRICE.—Between points and places in Canada by water. Mr. Armstrong's amendment proposes to take in all traffic.

Mr. ARMSTRONG, M.P. (Chairman).—It will assist materially the Commissioners appointed by the Government for the purpose of investigating the rates of Atlantic freights.

Mr. CARROLL, M.P.—Will the new law affect steamers or boats by charter carrying the goods of a person who has the charter and only for the person who has the charter?

Senator YOUNG (Chairman).—That is a shipper loading the vessel completely?

Mr. CARROLL, M.P.—A coal carrier for instance.

Mr. PRICE.—The amendment covers only tariffs. If a carrier was not proposing to charge any toll it would not come within the Act or the amendment.

Senator YOUNG (Chairman).—That would be charging tolls.

Senator THOMPSON.—Charter parties only.

Mr. CARROLL, M.P.—I speak of the case of a boat chartered and loaded by one person only.

Senator YOUNG (Chairman).—There are two ways of charging for a vessel in that case, either by the load or by the season.

Mr. PRICE.—The word 'toll' is wide enough to cover every charge conceivable.

Senator THOMPSON.—The case the gentleman mentioned was between a corporation carrying coal and another party. It would be a private contract between the party owning the whole of the vessel coming, and moving property belonging to an individual. I cannot understand how that could be affected as between two parties where you control the whole thing by private contract or charter.

Mr. PRICE.—The word 'tolls' is very wide.

Mr. MACLEAN, M.P.—What do you mean by the expression 'as deemed applicable by the Board'? What jurisdiction does that give the Board? Is it to define their own jurisdiction?

Mr. PRIDE.—Very largely so. The clause as we have it in the new Bill was drafted and considered by the Board. Really it is the Board's clause.

Mr. MACLEAN, M.P.—It is open to counsel to persuade the Board that they have jurisdiction.

Mr. LAWRENCE HENDERSON.—We have had very short notice in which to discuss this matter. I think it was on Saturday morning that I got word from Mr. King that we were to come here today and I called a meeting of our executive which we held this morning. The members are here present and the consensus of opinion at that meeting was that it would be a great mistake to place the free water-borne traffic under the Commission, or to put any restriction on it whatever.

We have to recognize that the steamboat companies are not enjoying franchises similar to those of a railway. The water route is free and open to all comers. A man may buy a boat any day and go into the water-borne business, and to put restrictions on the freight would be a very great mistake, not only from the viewpoint of the vessel owner, but from the viewpoint of the shipper. We all know that during the open season of navigation, which unfortunately is only about seven months in this country, that the boat lines control freight rates, or make freight rates, and if these things were fixed by a commission, and tariffs had to be issued which could not be reduced or altered without giving perhaps a month, perhaps a week or perhaps even a day's notice, it would seriously interfere with our business, not only with the shipper's business but with the carrier's business. I can speak more fully with regard to the bulk freighter than with regard to the package freighter, or lines that have been carrying an accumulation of small parcels of freight. Take the grain for instance, we have to change our rates sometimes two or three times a day. We have to meet the shipper. Perhaps sometimes I have to solicit a cargo. Sometimes I am solicited for my tonnage, but invariably I do not make the rate of freight. The shipper makes that. I may indicate a rate. I may say 'I want 5 cents a bushel on grain from Fort William to Montreal,' but the shipper starts immediately to figure up his cost. He may, right off the reel, say 'All right, I will give you 5 cents.' On the other hand he may figure up what his grain is costing him at Fort William, what it costs to put it on board, what his freight is, and his charges in Montreal and general charges, and compare it with the bid from the foreign buyer, and he may say 'I cannot do business at 5 cents I will pay four and seven-eighths' and we will take that rather than let the business go by, because once it goes by it does not come back. We Canadian vessel owners are catering to the Canadian grain trade. We are carrying commodities from the head of the lakes to Montreal through Canadian routes, and if we let the business go by, it is not going to come back to us at a higher rate, but it is going by Buffalo and ship out from Philadelphia or Boston, or some other United States Atlantic port; so that we require to have a flexible rate.

Mr. BRISTOL, M.P.—What causes the competition? Is it the rate through the Erie Canal?

Mr. HENDERSON.—I think the principal factor from Buffalo is the railroad not the canal. I think the canal is a controlling factor to some extent but it is really the railway rate we have to contend with. It might be a good thing for the boats to have a fixed rate for freight. I believe if we could get the same rates of freight that are allowed the railroad by the Railway Commission that we could make more money perhaps than we are doing to-day. But I find that in order to do business we have to have our rate going up and down. We are carrying wheat to-day from Fort William to Montreal at four and a half cents a bushel. Just at this time last year we were getting 7 cents a bushel. We are not carrying at four and a half because we want to, we would like seven, but market conditions won't permit it, and we have to come down to what the market will allow us. If we had a rate of freight at 5 cents fixed to-day we could not do any business and the freight would be going out of

Buffalo because the railways out of Buffalo would cut under our fixed rates and take the business. If we could have a tariff flexible enough to allow us to reduce our rates at a minute's notice, and let the Commission know later on that we had reduced it, it might not be so bad.

Mr. ARMSTRONG (Chairman).—Are we to understand that you wish to have the privilege of increasing the rate from four and a half to seven cents on a day's notice?

Mr. HENDERSON.—Yes, and from two and a half to seven cents and as high as eight cents. I have seen freight as high as ten cents from the head of the lakes to Montreal. Only a few years ago we were carrying it at four cents.

Senator BOSTOCK.—The rates could not jump that much in one day.

Mr. HENDERSON.—No, but at the same time there has to be the flexibility of fractions of a cent in order to do business, and it is not business that we can sidetrack from one day to another.

Mr. ARMSTRONG, (Chairman).—You have read the discussion in the House of Commons which took up two days this session calling attention to the freight rates of carrying grain from the Northwest. You say the speakers were not justified in making the statements they did?

Mr. HENDERSON.—I am not quite sure what statements they made.

Mr. ARMSTRONG, (Chairman).—That the freights were doubled inside of a day or two on grain, and the report of the Saskatchewan Commission appointed for the investigation of freight rates on our inland waters was similar to those reports tabled before Parliament.

Mr. HENDERSON.—Our rates advance or decline according to supply and demand. That is absolutely the case. The law of supply and demand governs the rate to-day, and we would leave that law to govern the rates, rather than a hard and fast rule fixed by any commission.

Mr. W. F. MACLEAN, M.P.—How does that work out with the railway? Is there a law governing them?

Mr. HENDERSON.—Yes, there is a law governing them, and that is something I am not very clear on. They had an 'At-and-east' rate Georgian Bay to Montreal 5 cents a bushel, but all of a sudden that was reduced from 5 cents to three and a quarter.

Mr. NESBITT, M.P.—There would be no appeal in that case?

Mr. HENDERSON.—No, you don't hear very much when there is a low freight rate. We object to the restrictions that would be put upon us if we were put under the commission.

Mr. NESBITT, M.P.—That is with respect to the high rate and not the low rate?

Mr. HENDERSON.—Both. If you issue a tariff we have to adhere to that tariff and have to give certain notice before we can alter it up or down. I understand that if a tariff is issued at a certain rate which is approved by the Railway Board we have to adhere to that tariff, we could not reduce it.

Mr. ARMSTRONG, (Chairman).—No.

Senator LOUGHEED.—What do you say as to ten days' notice to reduce and thirty days' notice to increase?

Mr. HENDERSON.—I have reduced rates in ten seconds. I have to say yes or no.

Senator LOUGHEED.—Will you draw a distinction between your boats and railway boats. The law is in operation with regard to boats owned by railroads. What would be the distinction?

Mr. HENDERSON.—The railway owned boats have traffic pouring into them every day at the railway terminals and they have control of it. My opinion is that if this

Bill goes through it is going to work for the benefit of the lake and rail lines, and it is going to work to the detriment of the general public.

Senator KERR.—To the detriment of the general shipping interests.

Mr. HENDERSON.—It will be detrimental to the general shipping interests. To-day the shippers, the manufacturers and consumers are getting the benefit of lower water rates than they can get by rail, and you would find if we were put under the tariff it would mean a general advancement of the rates. That is what I firmly believe.

Senator KERR.—Are through shipping rates by rail and water regulated at all or qualified by reason of the lake shipments?

Mr. HENDERSON.—I would say the lake and rail rates are affected by the all water rates.

Senator WATSON.—What percentage of your shipping on the lakes is controlled by your organization?

Mr. HENDERSON.—The Canadian Shipping?

Senator WATSON.—Yes.

Mr. HENDERSON.—I would say fully 90% of it.

Senator WATSON.—Is that not practically a monopoly of the lake shipping.

Mr. HENDERSON.—No, because our association does not deal with freight rates. We have never discussed freight rates in our association.

Senator THOMPSON.—If you had a limitation of the high rate fixed by the Commission, when they could say that you were earning all the money that ought to go to a corporation as a fair return for their investment, would you like that, or would you like the elevation to go according to the market?

Mr. HENDERSON.—I would like to have the elevation go so far as the supply and demand will allow us, and we are quite prepared to meet the reductions at times.

Senator THOMPSON.—You want to follow the market?

Mr. HENDERSON.—Yes.

Mr. W. F. MACLEAN, M.P.—And corner the market?

Mr. HENDERSON.—No.

Mr. W. F. MACLEAN, M.P.—Is that not the object of your combination?

Mr. HENDERSON.—There is no combination, and the administration of the society is not a combination in restraint of trade. In fact they never discuss freight. We discuss questions for the benefit of the association. We discuss aids to navigation, lighting and buoys and deepening of our waterways and harbours, and watching legislation such as this, but this is not discussing freight rates.

Mr. CARROLL, M.P.—Supposing you came under this law and were asked by the Railway Board for your tariff would it not be possible for you who are acquainted with the lowest and highest rates to put them in a schedule, with a minimum and maximum?

Mr. HENDERSON.—If that were done it would remove my objection to the restriction.

Mr. CARROLL, M.P.—According to your contention that is all you would have to do—fix a tariff with a maximum and minimum?

Mr. HENDERSON.—The Bill does not say that.

Mr. CARROLL, M.P.—If this Bill became law you would be asked by the Railway Commission to submit your tariff on certain specified articles. You have to name the articles, and you send the schedule to the Railway Board. Would not this cover your objection to the Bill if you could send into the Railway Board the very minimum rate you could carry grain for and also the maximum that you would get for carrying grain?

Mr. HENDERSON.—That would be quite possible and that would remove the objection which I have made, but I do not see what good the tariff would be.

Mr. CARROLL, M.P.—How does the Bill affect that particular kind of freight?

Mr. HENDERSON.—As far as I can see the Bill brings us under the Railway Commission, and the Railway Commission causes us to fix a tariff. I did not know the Railway Commission would allow you to put in a tariff ranging from one cent a hundred to \$5 a hundred.

Senator YOUNG.—You spoke of railway owned vessels? Do they carry much grain?

Mr. HENDERSON.—They carry some grain but very little. When I speak of lake and rail vessels, we are speaking of the C. P. R. and Grand Trunk boats. Well they carry comparatively little grain but they do carry some.

Senator YOUNG.—Do they meet your tariff when they carry grain?

Mr. HENDERSON.—I do not know but I presume they do.

Senator BOSTOCK.—They have no connection with your association?

Mr. HENDERSON.—No.

Senator BOSTOCK.—You spoke of their reducing their rate of 5 cents to three and a half cents. How did they do that?

Mr. HENDERSON.—I do not know.

Mr. MACLEAN, M.P.—Is the lake and rail service flexible?

Mr. HENDERSON.—It is absolutely flexible.

Mr. MACLEAN, M.P.—Then our Commission can provide the flexibility.

Mr. HENDERSON.—I cannot see the point exactly.

Mr. MACLEAN, M.P.—You say the lake and rail freight rate is flexible.

Mr. HENDERSON.—I do not think the lake and rail freight is flexible.

Mr. MACLEAN, M.P.—I thought you said it was.

Mr. HENDERSON.—Well the 'at-and-east' is not flexible except by giving notice.

Mr. MACLEAN, M.P.—What do you mean by that?

Mr. HENDERSON.—From Georgian Bay ports to the seaboard, but I desire to say that on that particular point I am not very conversant with it, and I think perhaps later on Mr. Richardson might make a statement.

Mr. NESBITT, M.P.—They were carrying it at 5 cents a while ago, and now at three and a quarter cents. It must have been flexible.

Mr. HENDERSON.—It took them some time to do it. They probably rested on their oars before they did that.

Senator WATSON.—I do not think the Commission would object to the lowering of rates.

Mr. HENDERSON.—By giving notice. I think you will find that it will mean a diversion of a great deal of our grain business over American routes, if we are going to work on a tariff, and the American lines are working without any tariff, because the Inter-State Commerce Commission do not assume any control over the bulk freighter.

Senator WATSON.—The western free trader is more interested in the rates than in the routes.

Mr. HENDERSON.—He might be more interested in the rates of freight than those in the east.

Senator WATSON.—He is more interested in the rates than he is in the routeing.

Mr. HENDERSON.—From the seaboard.

Senator WATSON.—No, from his farm to the seaboard.

Mr. HENDERSON.—Well possibly he is. That is quite right. The Canadian competition helps the farmer or the wheat grower to get cheaper rates than he would if

he did not have this Canadian competition and the restrictions such as it is proposed to put on by this Bill are going to work in my opinion to the detriment of the small owner, and for the benefit of the large owner. The small man with two or three boats, with a poorer service, is not going to get the business from the larger corporations with an every day service, if he is working on the same rate. I want to make that perfectly plain, because I am representing one of the smaller owners, and I believe the ultimate effect of this thing will be to put the business in fewer hands, with an advancement in freight rates.

A MEMBER.—Is there a diversity of rates as between the owners from day to day?

Mr. HENDERSON.—Absolutely there is, and the Canadian owners never had any consultations as to rates. I might go to Mr. Wright, for example, some day and get his private opinion. He might tell me what he is asking, and I might tell him what I was asking.

Mr. MACLEAN, M.P.—You have not any system of interchange of rates?

Mr. HENDERSON.—No. If I happen to meet Mr. Wright I might talk with him. I never wrote to any other owner and asked him what rates he was asking. I make my own rates and I get my information from the shipper not from the other vessel owners. The shipper will come and tell me that so-and-so is taking tonnage at such a rate. If I want the business I have to conform to the rate.

Mr. MACLEAN, M.P.—What is the uproar in the country against the sudden, rapid and great increase in inland transportation rates, in the last two or three years?

Mr. HENDERSON.—I do not think there is any. I have not heard any uproar. I was going to ask who it is that is behind this, or what interests are behind it. I have heard the manufacturers express the opinion that they would be sorry to see the boats cut under any commission, that they want the flexibility of rates as they exist to-day, and the cheaper rates the boats are giving. I have heard some talk from the Millers' Association about rates and one thing and another. But I have not heard the millers objecting to the lake freights they are paying, and I have not heard anybody else.

Mr. MACLEAN, M.P.—Was not that the finding of the Commission?

Mr. HENDERSON.—There was a steamboat merger last year which came to a head, I think, last December, but that has not resulted in higher rates. A year ago we were getting 7 cents from the head of the lakes to Montreal; to-day we are getting 4½ cents a bushel. That does not look like increasing the rates. We cannot get them up, because the market conditions will not allow them. We would like to make more money—I would like to make more money, but cannot do it. Some gentlemen lose sight of an important fact. They look at one big steamboat merger. The Canada Steamship Lines, Ltd., and that merger has had a lot of free advertising in the papers. I wish I could get such advertising, but I cannot. There seems to be an opinion that they are the only big company doing business on the lakes.

Mr. ARMSTRONG, (Chairman).—How many Canadian Companies are there doing business on the Great Lakes?

Mr. HENDERSON.—There are at least a dozen.

Mr. KING.—There are twenty or twenty-five in the grain trade.

Mr. HENDERSON.—Canada Steamships is a merger of five or six of our individual companies.

Senator WATSON.—What percentage of the tonnage, about?

Mr. HENDERSON.—I think they have less than 50 per cent of the grain tonnage.

Mr. BURKE.—Less than 40 per cent.

Mr. HENDERSON.—I felt that I could do my business without reference to the Canada Steamship Company. I had an idea that the Canada Steamships would put up rates, but instead of firming up rates, the rates, if you will excuse the expression, have gone to blazes. We are not making the money this year that we made last year.

No combinations of steamboat companies even of all the Canadian companies, can control. If we were all merged we could not control, because we have the competition of our friends across the border running to Buffalo, and Buffalo has half a dozen outlets on the Atlantic, while we have only one, Montreal. There is a good deal of talk about Canadian grain being diverted to Buffalo. One would imagine that Montreal could handle all the grain that we have to export. That is a mistake. Montreal gets all the grain it can handle, and the surplus as a rule, goes to Buffalo simply because Montreal cannot handle it.

Senator LOUGHEED.—What proportion would that be?

Mr. HENDERSON.—About 50% of the Canadian crop.

Senator YOUNG.—I think more than that.

Mr. HENDERSON.—Last year our terminal facilities at Montreal were so bad that we had vessels waiting five or six days to unload. It takes six days from Fort William to Montreal and six days to return, but unfortunately with bad terminals at Fort William, we were three and four days getting a load, and when we get to Montreal we may get out in two days, but it is usually four days and sometimes six days, and then you talk about Canadian vessels making a barrel of money. The only thing we save by having a boat in port is 75% of our fuel bill. Instead of burning 15 to 20 tons a day we burn 5 tons, but our provisions and general upkeeping of our boats is going on just the same and costing us about \$125 a day while we lie in port, making allowance for the saving in our fuel. You hold that boat there four days longer than necessary and it means about $\frac{3}{4}$ c. a bushel on her cargo of grain.

Senator WATSON.—Suppose you could get good terminals, would you consider three cents a bushel a profitable rate?

Mr. HENDERSON.—No, five and a half cents a bushel would be a good rate to Montreal if a man had steady traffic from spring to fall with good despatch. He could make good return on his capital.

Senator LOUGHEED.—In what respect are those terminals wanting?

Mr. HENDERSON.—That is a very difficult question to answer. Two years ago we said it was lack of storage capacity in Montreal, but the Montreal storage capacity has been increased in the last two years from two million to five and a half millions, and the conditions to-day do not seem to be much better. We get a little better start in the spring, and then the elevators fill up and we are just as badly off as we were before.

Senator LOUGHEED.—Is it want of elevator capacity?

Mr. HENDERSON.—Yes. It is the amount of grain running into Montreal. I said it was due to lack of terminal facilities at Montreal, and I can include in those facilities ocean steamers out of Montreal. If we had double the ocean tonnage trading out of Montreal we could handle double the amount of grain.

Senator YOUNG (Chairman).—Was there not a complaint last year that the trouble in the port of Montreal was due largely to the fact that the grain dealers used the elevators for storage—that they made them storage elevators instead of transit elevators?

Mr. HENDERSON.—There was that complaint made; whether it was true or not I am not in a position to say; I would rather the shippers would say as to that.

Senator YOUNG (Chairman).—Was there not a penalty imposed on those who practised that?

Mr. HENDERSON.—Yes, but I don't think the change lasted very long.

Senator WATSON.—You say that under present conditions you think five cents would be a fair rate?

Mr. HENDERSON.—I said five and a half cents would be a fair rate under present conditions. That is, mind you, if we can get it from spring to fall.

Senator WATSON.—Providing you could load at Fort William in a day and unload at Montreal in a day what reductions could you make and have a paying rate?

Mr. HENDERSON.—I think we could knock half a cent a bushel off; but you cannot charter boats that way; if you ask a shipper to load a vessel in half a day he will not do it; then some other fellow comes along and says, 'I will take a chance.' There is no question that the improvement of terminals to a point where a shipper could guarantee despatch to the vessel would be a considerable factor in the reduction of rates.

Senator WATSON.—It would be half a cent per bushel?

Mr. HENDERSON.—Yes.

Mr. NESBITT, M.P.—You mentioned some delay in Port Arthur; what is the reason of your delay there?

Mr. HENDERSON.—Well, it seems to be disappointment at the elevators, and the multiplicity of grades of grain that have to be loaded, and the distribution of those grades to the different elevators. I have had boats go up there to load containing a summer cargo of seventy thousand to one hundred thousand bushels of grain, that have had to go to eight or ten elevators. We go to one elevator and take on a certain amount of their cargo; then they move to another elevator and there they find two or three boats ahead of them and have to wait their turn; they get a few thousand bushels more there, and go on to another elevator, where they have to wait their turn, and so on.

Senator WATSON.—I understand that under the new clearing house arrangement at Fort William, a vessel could load at one elevator without going back and forward?

Mr. HENDERSON.—The vessel could load at one elevator if she has one kind of grain and the clearing house can give you the grain out of that elevator; but our experience, and I think the records will show that since the clearing house was established the despatch at elevators at Fort William has been no better than it was previous to the clearing house. I do not think the boats have derived any benefit from the Lake Shippers Clearing House.

Mr. NESBITT, M.P.—This is all very good.

Mr. HENDERSON.—I want to be perfectly frank; I have nothing to hide.

Senator WATSON.—Then a three cent rate is not a paying rate from Fort William to Montreal?

Mr. HENDERSON.—No, it is a killing rate. I think the chairman brought up the question of a report of a Commission from Saskatchewan. Last year I had a visit from a gentleman from Saskatchewan, I think his name was Haslam, and I practically gave him all the information I could; I let him look at our books and through our grain contracts, and I showed him the earnings of our boats for the previous year. Before doing that we agreed on a fair valuation for a Montreal canal freighter, and also agreed on the amount of money that that boat should earn in a season in order to give a return on the investment. After we had arrived at that point I then showed him the earnings on a fleet of seven canal boats, all fairly modern boats, for five years and the average net earnings of those boats for five years, without charging anything for management expenses, was about 25 per cent less than what Mr. Haslam agreed would be a fair return for the boats. I have not heard from Mr. Haslam since.

Mr. MACLEAN, M.P.—He made the statement that the freight rates have increased from 75 per cent to 100 per cent, and that if that is to continue the raising of wheat will be an impossibility in the Canadian west, and that is what the problem is to us—not so much to take care of rates as to make it possible to work the country in the west.

Mr. HENDERSON.—That statement is absolutely incorrect as far as the freights from Fort William to Montreal are concerned which are the freights that we to-day are concerned with. I have been with the company for just thirty years on the first of April this year, and I remember one year we had our whole fleet under the sea's charter from Fort William to Montreal at 8 cents per bushel on grain.

Mr. NESBITT, M.P.—That was some years ago?

Mr. HENDERSON.—That was some years ago but Mr. Haslam says that freight rates have increased.

Senator WATSON.—It was eight cents last year.

Mr. HENDERSON.—I said at one period it was as high as that.

Mr. NESBITT, M.P.—We had a good deal of discussion in the House of Commons as to this increase of rates. Would it be possible for some of you people to give us a table showing the rates per bushel during the months of navigation for say ten years?

Mr. HENDERSON.—I do not think you could get that. I think perhaps an individual company might give their individual rates, but we have had no statistical bureau that would show that. I think you could get a pretty fair average for the last five years.

Mr. KING.—We have never made any effort to keep such figures.

Mr. NESBITT.—We want to get at the truth of this thing, and I would like to have the figures for ten years. I heard a man lecturing to the farmers of the east and stating that the freight rates had raised in the last ten years 100 per cent, if I am not mistaken. Now, it would be a great deal of information to us, and if you people are telling the truth there is no reason why you should not give us a table of the rates you have charged for the last ten years.

Mr. HENDERSON.—Perfectly good; and I would suggest that perhaps Mr. Payne, of the Statistical Bureau of the Department of Railways and Canals, get those figures. As far as our company is concerned I would be very glad to throw our books wide open to him and he can go back five, ten, fifteen, or thirty years if he wants to. Mr. Payne has been keeping those statistics for two years now. At present we have to send in reports to him of all our freight rates, which we are giving him frankly, and freely. If you get his report for the last year you will find that the water rates compared very favourably with the rail rates, and that the Canadian water rates through Canadian ports compare favourably with the rates to Buffalo on American boats.

Mr. ARMSTRONG (Chairman).—Then it is not true that you doubled the rates, even last year, at some seasons of the year?

Mr. HENDERSON.—I think our freight rates last year were about 20 per cent higher than they were the year previous. I think that perhaps for a couple of years they remained about steady. They were higher than they were in 1910. On the other hand our rates this year are lower than they were last year.

Mr. ARMSTRONG (Chairman).—I understood from the discussion in the House of Commons that last year your rates had increased, we will say, from 3 to 6 cents, or 3½ to 7 cents, in the season.

Mr. HENDERSON.—No, I don't think they went as low as 3 cents last year. Last year was one of our banner years—purely a question of supply and demand.

Mr. ARMSTRONG, (Chairman).—What was the highest rate charged last year?

Mr. HENDERSON.—I think the highest rate last year—I don't think they went over 5 cents a bushel on some odd cargoes. The average rate last year, I think according to Mr. Payne's statistics was about 5½ cents a bushel.

Mr. ARMSTRONG, (Chairman).—Could you tell us what the lowest rate was?

Mr. HENDERSON.—I think the lowest was about 4½ cents.

Senator YOUNG.—Are you speaking of freight from Fort William to Montreal?

Mr. HENDERSON.—Yes, that is the only thing we are interested in.

Senator YOUNG, (Chairman).—What were the freight rates on the grain from Fort William, and Port Arthur to the Bay ports last year as compared with the year before?

Mr. HENDERSON.—I could not tell you that. Mr. Wright could tell you that. I think if you take the rates to the Bay ports and then add the railway 'at-and-east' rate to it, it will be considerably higher than the all-water rate.

Mr. AMES, M.P.—I would suggest that Mr. Henderson's suggestion be adopted, and that before this Committee meets next year such figures as are available be placed before it showing the average rate per bushel of grain, each month, say, over a period of five years, taking all the shipments of that month and showing what would be the average monthly rate from Port Arthur to Montreal, say for a period of five years, taking all the shipments of that month, what would be the average monthly rate from Port Arthur to Montreal, say for a period of five years?

Mr. ARMSTRONG (Chairman).—Is it the Committee's wish that that material should be gathered?

Senator BOSTOCK.—I would like to ask whether we could get information on the other side. Is that same kind of information published in the United States?

Mr. NESBITT, M.P.—We may be sure that those people compete.

Mr. HENDERSON.—You spoke of the rates on the other side. I do not think that you would get any statistics on bulk freighters; it is only where boats are controlled by railways—package freighters, that are under the Inter-state Commerce Commission—and I think probably most of the package boats on the other side are owned by the railway.

Mr. AMES, M.P.—Do I understand that my suggestion which I will put in the form of a resolution—has been adopted?

Mr. ARMSTRONG (Chairman).—Yes. (To Mr. Henderson): Your position frankly is that no restriction whatever should be placed on the boats on our inland waters; that you should be perfectly free to make whatever charge you wish, and free to use our ports, on which our Public Works Department have expended over ninety million dollars, our canals which will have cost us, when the Welland is completed over two hundred millions, and all the other works, and the Fishery Department; that it is all right for the people of Canada to furnish all kinds of facilities for the handling of this material for your purpose, and that you are not to be under any restrictions whatever?

Mr. HENDERSON.—That is my idea. The water is a public highway free to everybody; you can get a boat to-morrow, or anybody can buy a boat to-morrow, and put it on, just the same as you could buy a horse and buggy and put it on the road. I do not see why a highway on the water is different from any highway on the land, and you would not put any restrictions on a man who wanted—

Senator POWER.—We do.

Mr. MACLEAN, M.P.—A railway is the King's highway also.

Mr. HENDERSON.—But the railway has a franchise from one point to another: it has a franchise on that line.

Mr. MACLEAN, M.P.—It is a King's highway. What you ought to do is to establish the meaning of what you consider a 'common carrier', in the terminology of the street.

Mr. HENDERSON.—If I felt that the public was suffering from the present system I do not think I would have the face to come here and face all you gentlemen and talk the way I have done.

Senator WATSON.—You have been at it a long time; you are used to it.

Mr. HENDERSON.—I am convinced it would be a bad thing for the public as well as the steamboat owners. I do not want to be put under any restrictions; and there is a certain spice in losing money one day and making it the next. That is the way we are doing. The steamboat business to-day is more or less of a gamble, no doubt of that. I have seen years that we have earned 4%, and others that we have earned 20%, and others when we have lost money; but on the average we make fair average earnings, and we are open anytime to make a deal. I don't want to get down to be a freight solicitor—have my rate the same as the other fellows' rate, and then sit down and wait for business to be carted to my freight shed, and have a few solicitors out to get customers for it. I want to be able to trade as I have traded, and I think it is for the benefit of the public generally to do that. I am not a free trader, though; I am on the other side.

Mr. ARMSTRONG (Chairman).—Would you furnish the Committee with a list of the Canadian vessel owners and the number of companies.

Mr. HENDERSON.—We would be delighted.

Mr. NESBITT, M.P.—What company do you represent?

Mr. HENDERSON.—The Montreal Transport Co.

Mr. MACLEAN, M.P.—Do you admit that you are a common carrier?

Mr. HENDERSON.—No, sir, we do not.

Mr. MACLEAN, M.P.—That is the real issue. Why are you not a common carrier; why do you say you are not a common carrier?

Mr. HENDERSON.—That is a legal point, and I am going to ask my legal adviser to answer it. I think you, as a legal man, ought to know why I am not a common carrier; I am only a layman.

Mr. MACLEAN, M.P.—I am not a legal man.

Senator POWER.—I should like to ask Mr. Henderson what, in his opinion, would be the effect of adopting this fixed tariff on the relative proportions of the business transacted—what the effect would be on the business going to the United States or to Montreal? I mean, will the adoption of this fixed tariff have the effect of diverting some of our traffic to the United States ports, or would it bring more to Montreal?

Mr. HENDERSON.—Answering the last question, I believe it would have the effect of diverting more business to United States courts. I believe it would have the effect of diverting business from the smaller companies to the larger companies. I think it would have the effect, ultimately, of eliminating the smaller companies. I think they would be simply run to the ground, and I think it would have the ultimate effect of higher freight rates.

Mr. ARMSTRONG (Chairman).—I have been asked to see if Mr. Henderson would answer that question of Mr. Maclean's as to whether he is a common carrier, or what kind of a carrier he is. I might say that some have referred to some of those who have been operating on the lakes as 'pirates.' He would not like to be called a 'pirate.'

Mr. HENDERSON.—May I be permitted to answer that through my counsel?

Mr. ARMSTRONG (Chairman).—Yes.

Mr. KING.—I venture an opinion off-hand now, but I understand the question has been up before the Inter-state Commerce Commission, and it has been held that a common carrier does not include the bulk freighter, so called, that is, the freighter that is carrying under a charter, as a member of the Committee here mentioned—the full definite capacity of his boat. It does not include the man who follows the tariff, who advertises a tariff, and who runs a definite traffic from a definite point to a definite point, so that all the world may know, and who takes everything that comes to his dock, and who is bound to take everything that comes to his dock. Now, Mr.

Henderson can refuse you or any gentleman to carry your cargo, if he desires to do so, and he is not a common carrier to that extent.

Mr. ARMSTRONG (Chairman).—That is one of the serious objections I have heard in different parts of the country—representations made to me that you men will not receive only what you care to receive, and will not carry anything except what you care to carry, and dictate to the people what kind of goods you wish to carry.

Mr. KING. I have never before heard the suggestion that the man who is prepared to charter his full boat has to be treated as a common carrier. We are all in the position of tramps on the lake, picking up whatever cargo we can from any party we can and carrying it as cheaply as we can.

Mr. MACLEAN, M.P.—You are not bound to serve?

Mr. KING.—No.

Mr. H. W. RICHARDSON, (of Kingston).—I come before you as a shipper and also a steamship owner. I represent both the shipping interests and also the grain interests of the country.

Mr. KING.—In deference to Mr. Richardson's modesty may I add that he is probably one of the largest grain shippers in Canada, with elevators all over the west, and not only interested in shipping grain from the west to the seaboard, but he is also a joint owner in eight or nine steamers carrying grain down the lakes.

Mr. RICHARDSON.—There have been so many questions asked that I can see that this committee wants a great deal of information. I do not think any man can get on his feet and give it to you in a few minutes or even in a few hours, for it would not occur to him to tell all you require before you can size up the situation. Now I am going to take the very first thing. The congestion of storage, the loading and unloading of boats, has a great deal to do with the cost of the freight. You may get a quick elevator in Fort William one day, and another day a discharge in Montreal, and make fairly good money; but if you have to peddle around Fort William, taking up different samples of grain in different elevators it is very different. In the fall of the year the grain is pouring into Fort William, and there is no difficulty in going to one elevator and getting a clear house, and in six hours you are loaded. But when it comes on to the spring of the year and there is very little grain in one house and a little in another, the steamer has to peddle from house to house to get its load, and wait its turn, simply because the supply of grain is becoming exhausted. You cannot govern that.

Senator YOUNG, (Chairman).—That is only cleaning up the tail end of the crop.

Mr. RICHARDSON.—Yes; you can not govern that. Take a shipper putting his grain in Montreal; my storage in Fort William is a cent a bushel per month, while my storage in Montreal is less than half; therefore I am going to put my grain in Montreal and wait for the market? What happened? A false market is established in Winnipeg—I mean that a crop scare goes out, the grain is pretty well shipped out; we will sell July wheat, to protect shipment to Montreal. I put my wheat in Montreal intending to send my wheat to Europe. I sell my wheat to Europe and take off my July option; the price goes up; in Winnipeg what can I do? My grain has to stay in Montreal to cover my short sale. These conditions will arise notwithstanding all you can do on earth; you cannot govern them; all you can do is to make adequate storage facilities for the volume of grain that is coming to you ordinarily. Now regarding the steamers on the lake, the freight is as flexible as my hand, and it has to be. You gentlemen do not understand. In an evening a hundred shippers in America will send a hundred cables to one port, perhaps in London, another hundred to Berlin, Rotterdam, Paris or somewhere else. Now every shipper has his route to figure on. He may get a good rate via Baltimore, or by New York, where he can get the cheaper ocean freight, or by Boston where he may find some tramp

boat held up and be able to get freight for almost nothing. He wires the other that he has been offered so much and gets the reply 'I can give you a better rate.' You advise your man in Winnipeg. The market does not go to suit, and you go to the broker and if you can get a profit of one-eighth you ship, because you must have your wire in London by 5 o'clock in the afternoon, and to do that, you must send it by half past twelve. You cannot control grain rates. Detroit and Buffalo take about fifty per cent of our grain. In the fall of the year, owing to the fact that the American tonnage is not being in use, there is a competition in freight rates. That tonnage does not come out until June. It is owned by two or three large corporations, coal, oil, and steel. They go up to load iron. They get 40 cents a ton on their ore down. They load coal back at 30 cents a ton and this goes on through the summer months. The ore is brought down to supply the smelters in the East, and the coal is taken West. When the boats are through with the American business, they load up cargoes in Fort William and lay up in Buffalo, or carry one trip up and lay up. She gets the best rates she can. She is a huge craft, carrying 300,000 to 400,000 bushels of wheat. Very few of our boats are that size. The larger the boat the cheaper it will be able to carry freight. The larger the boat the cheaper the overhead expenses are. They get freight in the summer which we cannot get. We have not the coal to supply, and we have not the ore, and our boats wiggle along through the summer months and do the best they can. They load at Fort William at any price they can get. I have known boats to come down from Fort William light to carry package traffic up. If you impose a rate you surely impose on the West higher rates than they can get today, and you would destroy our export trade. It is only by little concessions here and there that rates are kept down, and those rates are made at a moment's notice: it is not tomorrow, they are made inside of an hour.

Mr. ARMSTRONG (Chairman).—If you were allowed to make as low a rate as you wish, but a maximum rate were fixed, would you have any objection to that?

Mr. RICHARDSON.—I do not know that even that could be introduced. Suppose you had a maximum rate, would you want to have that grain tied up all winter and have it sent to the coast at 12 cents a bushel instead of 8 cents? The Georgian Bay rate is about on an average one and five-eighths to one and three-quarters the whole season. In the spring they try to get two cents. They do not often get it. They get one and three-quarters on the first trip, and on the second trip one and a half if they are lucky, and then one and three-eighths. In the Fall of the year when the crop begins to come in the rate runs up sometimes to two and a half and even to three and a quarter, but these rates are for winter storage. The grain is taken to Midland and Port McNicol, or some other place until the dealer disposes of his cargo and sends it to Europe. Last year very little grain was shipped, all rail from Fort William East to St. John, Boston or New York. The year before there was a great deal shipped, because that year the crop was moist and damp and came off the fields very late and did not reach Fort William in time to take advantage of the lake rates, and the producer had to pay the extra rail rate. Last year, there was a lovely harvest; there was no interruption and the railroad furnished ample cars. No shipper had to hold his grain, and it simply poured into Fort William. The finances of the country were tight last Fall and shippers could get ordinary credit, but with the extraordinary delivery the ordinary credit was not sufficient, and they had to ship as fast as possible, and the ship owner got a higher rate.

Mr. MACLEAN, M.P.—The farmer complains that it was the worst year he had.

Mr. RICHARDSON.—The farmer had no reason to complain.

Mr. MACLEAN, M.P.—But he did complain.

Mr. RICHARDSON.—You cannot prevent the farmer from complaining. Look at it—his grain was one and two northern sample, hardly anything else. What was it the year before? It was frosted and Nos. 2, 3, 4, 5 and 6, and rejected.

Mr. NESBITT, M.P.—He kicks at the rate that he got for his No. 1 and No. 2 Northern sample.

Mr. RICHARDSON.—It was a wonderful grading of grain. If he had tough grain it was his own fault.

Senator WATSON.—He complained of the low rate he got for his good wheat.

Mr. RICHARDSON.—He got the market price. He did not make it; we did not make it; the Lord made it.

Mr. NESBITT, M.P.—The farmers of the west complain that you vessel men were responsible.

Mr. ARMSTRONG (Chairman).—That was one of the strong arguments on the floor of Parliament, that the vessel men control largely the rates and the price in the markets of the West.

Mr. RICHARDSON.—The man who made that complaint did not know what he was talking about. There is a time when the lake rates are a factor, and sometimes the ocean freights. I have seen the freight rate in Montreal 96 cents for 8 bushels, and for that rate the vessels stowed that grain and delivered it in Europe. On the other hand I have seen the rates 3½ cents per bushel from Montreal. I have taken grain to New York because I could get it carried for next to nothing, and I have paid one guinea per 1,000 quarters.

Mr. KING.—A lake reduction may be absorbed at the ocean.

Mr. RICHARDSON.—It is seldom that you see low lake and low ocean freight at the same time. There is something coming up here before us in a couple of years that is going to give us all we can do to hold our grain in our own routes. The Erie canal will be completed in 1916. That Erie Canal will make a rate from Buffalo to New York so much cheaper than our present rate that our own boats will have great difficulty in living.

Mr. MACLEAN, M.P.—It will be a God-send for the western farmer.

Mr. RICHARDSON.—This Government is deepening the Welland Canal. It will not be completed so soon, but when it is completed it will be a factor to restore the equilibrium of trade—not only restore it, but give us probably a slight advantage over the Erie route.

Senator TALBOT.—How deep will the Erie Canal be when completed—twelve feet on the sill?

Mr. RICHARDSON.—It will take 60,000 bushels. That Erie Canal was not built originally to carry our wheat or even to carry the wheat of the western states. It was constructed to carry coarse rough freight to the manufacturing towns in New York State, cement, lumber, coal, stone and all these things. Therefore it is very likely to get the up freight as well as the down freight, and it is very hard to say what this new factor is going to do. Therefore I say, do not touch anything at present; leave things as they are. This association was formed for the protection of our boats, not for the protection of freights. I have never yet heard a discussion of freights in any meeting of our association.

Mr. KING.—Since 1907.

Mr. AMES, M.P.—How do you consider the widening and deepening of the Welland Canal is going to counteract the effect of the enlargement of the Erie Canal?

Mr. RICHARDSON.—The rate from Fort William to Port Colborne to-day is one and a half, while the rate from Port Colborne to Montreal is three and one-quarter. From Port Colborne to Kingston is one day's trip, and back again 24 hours. If you get one and a half cents a bushel from Fort William to Port Colborne for say a ten days' voyage, that is loading at Fort William and unloading at Port Colborne and going back, that is increased by two days going through the enlarged Welland Canal

to Kingston and it adds one-sixth more. The vessel will make the same money on a twelve days' trip by getting one-sixth more freight. The rate from Kingston to Montreal would be one and three-eighths cents. I do not think the Georgian Bay Canal, the railroads or anything else would ever compete against that route.

Mr. ARMSTRONG (Chairman).—Would it compete with the route by way of Ogdensburg to New York.

Mr. RICHARDSON.—A big boat to Ogdensburg would be difficult. It could be done.

Senator WATSON.—With the assistance of the Georgian Bay Canal we will put the Americans out of business.

Mr. RICHARDSON.—I am not here on the Georgian Bay Canal.

Senator KERR.—Supposing it went to Oswego.

Mr. RICHARDSON.—How would it go by Oswego when it could go by Buffalo. Oswego is 40 miles shorter than Buffalo by canal to New York. Why would a boat travel 120 miles to save 40 by canal? It seems ridiculous. I do not think any one ever talked about it.

Mr. MACLEAN, M.P.—Do you consider the speculative or gambling phase of it as essential to the grain business?

Mr. RICHARDSON.—There is not any gambling in the grain business.

Mr. MACLEAN, M.P.—I have heard within the last few weeks—in fact, the Globe newspaper of Toronto made the statement—that speculating and gambling are absolutely essential in order to make provision for the food of the world. Is that your view? You have been speaking about futures, and making money out of futures, and your business was more or less identified in dealing with futures on the speculative side of the grain market. Do you believe that is essential to it?

Mr. RICHARDSON.—No, there is nothing you can do where there is not an element of chance to crop up.

Mr. MACLEAN, M.P.—I do not deny that.

Mr. HENDERSON.—It is no more so in the grain business than many others. You can protect yourself against all chances. You can speculate if you want to. You can say 'I can get cheaper rates next month. I will not book with Mr. Henderson, I will take my chances on the freight, I will take chances on the ocean boats. They are pretty light and have not much freight for next month.' and in that way a man takes chances.

Mr. MACLEAN, M.P.—Is the farmer affected by that?

Mr. RICHARDSON.—Not at all. I own the grain. I paid my money for it, and I use my brain and endeavour to make money by it. I buy that grain on the open market, and that market changes every hour, eighth up and down. I buy it and sell it. I do not often buy it unless I know I can sell it. I have often bought and sold and cleaned up in five minutes the whole deal. You cannot control those things. If you put this marine association under the Railway Commission you are going to put a tax on the people of this country immediately, and hurt the business of this country. There is nothing in this world surer than that. The grain and shipping trade of the country are very little understood by the great majority of the people. They know no more about it than I do about making a locomotive.

Mr. ARMSTRONG, (Chairman).—Might the same not be said of transportation by rail?

Mr. RICHARDSON.—There is no wind, and there are no storms to hinder it, or anything of that kind. They know the cost of carrying the goods, and they run twelve months in the year.

Senator WATSON.—But they have washouts.

Mr. RICHARDSON.—Very few. They figure those out to a decimal, but you could not figure a storm like the one on the 9th November last, which was a catastrophe. That caused the rates to go up. The boats were short. The boats buried in Lake Huron were not available for traffic.

Senator WATSON.—The rates were higher before the storm.

Mr. RICHARDSON.—I was laying for low rates and got them, and as soon as that storm came we all plunged in, and there were not enough vessels to go around. We simply grabbed for the freight.

Senator WATSON.—What was the date of that storm?

Mr. RICHARDSON.—The 9th November.

A MEMBER.—How much later than that did you ship?

Mr. RICHARDSON.—We shipped out of Fort William the 15th or 16th December a year ago, but our usual insurance expired on the 5th December, by paying extra we got extensions for five or ten days more.

Senator WATSON.—What was the rate to Montreal?

Mr. Richardson.—Five and a half. It never got much over six and a half that season. There were no high rates last fall.

Mr. ARMSTRONG (Chairman).—What objection have you to filing your rate with the Railway Commission?

Mr. RICHARDSON.—It would ruin our business.

Mr. ARMSTRONG (Chairman).—In what way?

Mr. RICHARDSON.—I could not do anything. Our business has to be done promptly and everybody would cut down. You would have this thing so cut that there would be no money in it.

Mr. NESBITT, M.P.—Speaking from the grain dealers' standpoint you think if there were a fixed rate it would have a tendency to raise the rates?

Mr. RICHARDSON.—Yes.

Mr. ARMSTRONG (Chairman).—In what way?

Mr. RICHARDSON.—Cut out competition and you could not fix a rate for those boats.

Senator THOMPSON.—If you had a maximum rate fixed, and a flexible rate, so that you could not go below a certain rate or above a certain rate, how would it work?

Mr. RICHARDSON.—What use would it be if it were a high maximum rate? I think I am pretty liberal. I came down here a year ago last fall, and I asked the Government to allow the American tonnage to come into Fort William, because I knew what my brothers in the association did not know, that there was not enough storage in Fort William, and we would have to forego the coasting laws, and I did it. When the Government saw the situation Morine got behind me, and they released the profit they would have for the sake of the country.

Mr. KING.—The Marine Association is unalterably opposed to the holding up of the coasting laws. We suffered and took our medicine the best way we could.

Mr. RICHARDSON.—You did not fight against it?

Mr. KING.—No.

Mr. MACLEAN, M.P.—We have been told that notwithstanding the fact that Canada increased her expenditure every year for the improvement of her harbours, rivers and canals, the shipping men and steamboat men got the cream of all that, and the country got no benefit from it.

Mr. RICHARDSON.—But you do get the benefit.

Mr. MACLEAN, M.P.—The rates apparently increase.

Mr. RICHARDSON.—No. When I was a young man I paid a quarter of a dollar a bushel on corn taken through the Welland Canal. The next move was that the canal was deepened, and the rate immediately fell from twenty-five cents to four, five, six and seven cents. The country got the benefit of that. You made a saving right then and there for the country was paid the money back four-fold, and you are going to make another saving with the Welland Canal. It is going to pay all that money back. It is a good business undertaking in that respect.

Mr. MACLEAN, M.P.—I hope it will turn out that way.

Senator YOUNG (Chairman).—What do you say with reference to the package cargo?

Mr. RICHARDSON.—You are going to interfere with the package business very greatly. A large quantity of the package freight goes just at the close of the season. You can get the stuff through on a tramp boat or anything else.

Senator WATSON.—The rates by the boats owned by the railways are controlled by the Commission.

Mr. RICHARDSON.—They are in a great measure, but do you mean to tell me you cannot go and ship on my boat from Kingston to Fort William? I own the boat and I own the package.

Senator WATSON.—That does not come under the control of the Commission.

Mr. RICHARDSON.—September and October are big months for the canning business, and they are not ready to ship until the 1st November. If I could send the boat up to Picton I could save a good deal of money but I cannot do it. The stuff has to come down from Kingston to Picton to tranship there. Take Fort Stanley where I deliver grain for St. Thomas. Fort Stanley is nearer the west than Port Colborne. I could not get a boat to go there and deliver a cargo the same as Port Colborne. I would have to pay her more money. It is a shallow harbour and poor elevator, and these conditions have to be considered. The conditions surrounding that port have something to do with the rate. Then again a boat comes to Port Colborne, and runs across to Buffalo and Erie and loads her coal up. A return cargo has always a great bearing on the freight.

Senator WATSON.—To what do you attribute the cause of the blockade last fall in Montreal?

Mr. RICHARDSON.—The blockade in Montreal last fall was caused by something in connection with the market.

Senator WATSON.—They were using the elevators for storage.

Mr. RICHARDSON.—You sell as quickly as you can.

Senator WATSON.—Was it the lack of ocean shipping?

Mr. RICHARDSON.—The lack of tonnage at a proper rate.

Mr. MACLEAN, M.P.—Would it be a good thing to hold it over until you could get a lower rate?

Mr. RICHARDSON.—I always thought the man that sold his stuff immediately, got the money in his pocket and paid his debts was better than the man who obtained his money in May and paid interest on it.

Mr. MACLEAN, M.P.—It overtaxes the transportation companies to do it.

Mr. RICHARDSON.—The Argentine grain comes into Europe about the 1st of March. Now everybody looks for a more favourable market to buy in when the Argentine crop commences to move, so that if you keep your grain you may keep it at a loss. This year the Argentine crop was bad—almost nothing, but if it had been a good crop I venture to say every man who held wheat over until May would lose money.

Senator WATSON.—Do the speculator and the grain dealer not depress the market sufficiently to compensate for that?

Mr. RICHARDSON.—No.

Mr. MACLEAN, M.P.—Then perhaps we will have to always sell our grain under pressure and therefore will require large transportation facilities.

Mr. RICHARDSON.—Unfortunately our grain does not ripen every month in the year, but is largely shipped in September, October and November, if you put that stuff in the warehouse it is going to cost insurance and interest and you are up against it again.

Mr. ARMSTRONG, (Chairman).—You seem to object to restrictions in regard to all kinds of packages and every other kind of freight?

Mr. RICHARDSON.—I do.

Mr. ARMSTRONG, (Chairman).—No regulations whatever, dealing with whether you should accept products in package freight to different ports? We have serious objections coming from members of the association in regard to that matter. You think there should be no restrictions whatever?

Mr. RICHARDSON.—I think it would be a loss to the country if there were.

Mr. MACLEAN, M.P.—Does the Committee not think we should hear from those who are making complaints against the vessel men and then get their replies?

Mr. RICHARDSON.—I would like to see those complaints. I do not think there are any.

Mr. MACLEAN, M.P.—The Millers are anxious to say something, and I would like to have that Commission from Saskatchewan before the Committee. I call upon them publicly to come down and prove their statements that they have been unfairly discriminated against, unjustly charged in the matter of rates by the vessel men of this province, and having heard that charge I would like to hear the answer of the vessel men to the charge, and if there is any way you can reach those people making the charge, I think we should hear them before we adjourn.

Mr. EMMERSON, M.P.—I would like to ask Mr. Richardson a question: Your position is that the less tinkering of legislatures with these subjects the better for the country?

Mr. RICHARDSON.—Absolutely so.

Mr. MACLEAN, M.P.—Mr. Emmerson calls us tinkers.

Mr. KING.—I desire to call attention to one point. My impression was when the resolution of the Montreal Board of Trade was referred to a little while ago that it was mentioned by some one as being in favour of the proposals before the Committee. My impression now of the resolution is that it is fully in accord with what has been said by the representatives of the Dominion Marine Association. I mention it as one of the large commercial organizations in favour with our views.

Senator YOUNG, (Chairman).—Do the delegates who have not been heard to-day wish to make any statement? Is their case presented in full?

Mr. WRIGHT.—Yes, I think so.

Mr. KING.—We are all quite willing and anxious to reserve what further we have to say until the other representatives are heard in favour of these proposals provided we have full opportunity to meet them afterwards.

Mr. MACLEAN, M.P.—Who are the parties that are making the charges against the grain men? I have mentioned the case of the Grain Commission. Do I understand that the millers as a body have been making a charge against them?

Senator YOUNG, (Chairman).—We do not know.

Mr. KING.—If there are any charges to be made they should be made beforehand so that we will have an opportunity to meet them.

The Committee adjourned until Tuesday May 26, at 11 o'clock.

OTTAWA, Tuesday, May 26, 1914.

The Committee appointed to inquire into Bill (B2) An Act to Consolidate and Amend the Railway Act met at 11 o'clock today.

Mr. ARMSTRONG (CHAIRMAN):—The Committee will remember that Mr. C. B. Watts came before us and asked us for an appointment for today. He is supposed to represent the City of Toronto, and he sent the following telegram:—

TORONTO, ONT., May 20, 1914.

J. E. ARMSTRONG, M.P.
Ottawa, Ont.

Regret have meet board grain commissioners Tuesday and steamship representatives Old Point Comfort twenty-eight.

C. B. WATTS.

I wish there was some way of compelling these men, when they put us in that position, to appear before the Committee. I have a communication from Mr. Geary from Toronto which reads as follows:—

TORONTO, May 21, 1914.

J. E. ARMSTRONG, Esq., M.P.
House of Commons,
Ottawa, Ont.

Dear Sir:

Please accept my thanks for your letter of the 19th inst. I shall do my best to arrange to be present, and should be very glad if your Secretary would notify me of the hour and place of meeting.

I know that the municipality of the City of Winnipeg desires to be heard, and hope that you have given notice to its representatives. Several western municipalities have made representations to the Minister before this, as also have the Union of Canadian Municipalities, the City of Montreal, the City of Windsor, and I think the City of London, and perhaps some others whose names escape me at the present moment.

Yours sincerely,

W. R. GEARY.

I received a telegram from Mr. McKenzie of the Canadian Grain Growers. It was decided that we should communicate with these men and arrange for a meeting if possible next Tuesday. This is the telegram I received from Mr. McKenzie:—

HOUSE OF COMMONS, OTTAWA, ONT.

Your letter received: can be at Ottawa June 2 as requested. Wire if Government will pay my expenses.

R. MCKENZIE.

SENATOR LOUGHEED:—It will be utterly impossible to conclude the work of this Committee this session, and it is a question whether we should proceed further. There will be a very great rush of work in the Senate from now on. The impression is that prorogation will take place by Thursday week. That was the arrangement, I understand, in the House of Commons.

SENATOR YOUNG (Chairman).—I have a telegram from Regina which reads as follows:—

REGINA, SASK., May, 21.

Senator YOUNG,
Senate.

Lettergram received. Hon. George Langley, Minister of Municipal Affairs and a member of the recent commission on grain markets, will be in Ottawa at end of next week, May 29 and 30, and will be prepared to appear before the Committee in question.

W. R. MOTHERWELL.

Mr. KING.—I was very much interested in this matter, and I was present at the last sitting of the Committee, representing the Dominion Marine Association, and I would like the understanding confirmed, or corrected if I am wrong, that to-day was appointed to hear those who are supporting the legislation in question, then an adjournment was to take place to enable the representatives of the Marine Association to bring forward any further objections they might think necessary.

Mr. ARMSTRONG, M.P., (Chairman).—That has been arranged for Thursday of this week. The representatives of the Manufacturers Association and the representatives of the Steel Industry have been here, and we decided they would be heard next Thursday.

Mr. KING.—There was an understanding that the representatives of the Marine Association would have an opportunity to hear what was said, and then answer it.

Mr. ARMSTRONG, M.P., (Chairman).—I am responsible for introducing this clause in the Bill. I am sorry it is my duty to try and place before the Committee the representations in regard to it, but if the Committee will be good enough to listen to me, I will explain the reasons for bringing forward this clause.

Senator POWER.—I move that after the meeting on Thursday next the Committee adjourn sine die.

The motion was carried.

Mr. ARMSTRONG, M.P., (Chairman).—I have a communication from one of the gentlemen who was heard before the Committee with regard to freight rates, when the prevailing rates on wheat were asked by the Committee. One of the gentlemen interested sent forward these rates:—

DOMINION MARINE ASSOCIATION.

KINGSTON, Ont., May 23, 1914.

N. ROBIDOUX, Esq.,
Clerk of Committee,
House of Commons,
Ottawa, Ont.

Dear Sir,—I have to thank you for your letter of the 22nd. In the meantime, I am sending you enclosed herewith a memorandum of the prevailing rates on wheat from 1905 inclusive up to the present date, such as was asked for by the joint committee sitting on the Railway Act. This is in duplicate, and I would ask you to be so good as to see that it is in the hands of the Chairman of the Committee before the Committee meets on Tuesday.

I hope to be present at the Tuesday session myself.

Faithfully yours,

FRANCIS KING

PREVAILING RATES ON WHEAT.

	At Opening.	Midsummer.	November.
1905.	Wheat.	Wheat.	Wheat.
Rate above Welland Canal.....	2	1½	2½
" to Montreal.....	6	5¼	9¾
1906.			
Rate above Welland Canal.....	2½	1½	2
" to Montreal.....	7	5½	7
1907.			
Rate above Welland Canal.....	2	1½	2
" to Montreal.....	7	6½	7
1908.			
Rate above Welland Canal.....	2	4	2½
" to Montreal.....	7	4½	6½
1909.			
Rate above Welland Canal.....	1½	1½	2½
" to Montreal.....	5¼	3	6½
1910.		As low as 1909 and worse, one cargo went to Montreal at 2½	
Rate above Welland Canal.....	2		2
" to Montreal.....	5¼		5½
1911.			
Rate above Welland Canal.....	1½	1½	3
" to Montreal.....	5	3¼	7
1912.			
Rate above Welland Canal.....	2	1¾	2½ to 3
" to Montreal.....	7	4½	8
1913.			
Rate above Welland Canal.....	2¾	1¾	3
" to Montreal.....	6	4	6½
1914.			
Rate above Welland Canal.....	1¾		
" to Montreal.....	5½		

Mr. ARMSTRONG, M.P. (Chairman).—I have the following letter from the members of the Press as to the meeting in the Railway Committee room:—

DEAR MR. ARMSTRONG,—As the public interest is served by full and comprehensive reports of the Special Committee dealing with the Railway Bill, the Press Gallery would very much appreciate it if you could arrange that the meetings of that committee, especially when delegations are being heard, should be held in the Railway Committee room of the Commons. It would also be more convenient for Members and Senators generally. In the Senate room the space is crowded and there is absolutely no accommodation for the press. We feel sure that Senator Young would acquiesce in this suggestion.

Yours faithfully,

C. L. BISHOP,

FRED. LONDON,

PAUL BILKEY (on behalf of ourselves and others).

J. E. ARMSTRONG, Esq., M.P.

Mr. ARMSTRONG, M.P. (Chairman).—We will deal with that at the next sitting. I have also a letter from Mr. R. McKenzie, secretary of the Manitoba Grain Growers' Association. It is as follows:—

WINNIPEG, MAN., May 23, 1914.

Mr. J. E. ARMSTRONG,

Chairman of the Commons Committee,
Ottawa, Ont.

DEAR SIR,—I am in receipt of your favour of the 20th inst., urging me to appear before a Joint Committee of the Senate and House of Commons who have the consolidation of the Railway Act under consideration. I did not receive the telegram from you which you state you sent under the same date as letter.

I would be very pleased of an opportunity to appear on behalf of the Manitoba Grain Growers' Association before the Committee on the important question of the consolidation of the Railway Act, more especially clause 358 of the Bill to which you drew my attention. It appears to me that the Railway Commission or any other body have not effective control on export rates unless that same body can also control the rates on vessels that are a part of a through transportation system. It is a simple matter of bookkeeping for the railways to apportion a loss made on the railway, and make up on the water portion of the through system.

Wire if my travelling expenses will be paid if I appear before the Committee.

Yours very truly,

R. MCKENZIE,

Secretary.

Mr. ARMSTRONG, M.P. (Chairman).—I have also a communication from the Montreal Board of Trade asking to be notified when they can be heard.

Senator WATSON.—Was not some representation to be made from Montreal and Toronto?

Mr. ARMSTRONG, M.P. (Chairman).—Yes, but they are not here. In reference to my proposed amendment to Clause 358 of this Bill I should like to read a few extracts from some of the numerous letters I have received asking that this legislation be

granted. I would therefore like to place before the Committee the following extracts. The first is from a manufacturer, who states:—

As you are possibly aware, there is a most unjust discrimination against manufacturers situated as we are.

Senator POWER.—Where is he situated?

Mr. ARMSTRONG, M.P. (Chairman).—At Sarnia, Ontario.

As you are possibly aware, there is a most unjust discrimination against manufacturers situated as we are. At the present time, steamship companies will carry freight from Montreal to the head of the Lakes, we are told, at the same rates as we pay from Sarnia to the head of the Lakes. We know for a fact, that there is an existing rate of 10½ cents from Cleveland to Fort William, while we pay 16½ cents from Sarnia. This is one case showing the unjust discrimination made under the present method. Where this affects a manufacturer, such as ourselves, it would avail the manufacturers of the same commodities as we make, down in Montreal or Hamilton, to enter into a competition of territory, which by our natural location, should be ours.

On the other hand, for all freight going east by train, we have to pay a much higher rate over these lines, and we cannot compete with the manufacturer, such as a fence company, in Montreal or Hamilton in its own district, while they themselves can ship their commodity into our territory at the same rates as we ourselves.

Mr. ARMSTRONG, M.P. (Chairman).—I have also a communication dated March 23 from the Ontario and Western Co-Operative Fruit Company as follows:—

It is with a good deal of pleasure we see you are making a strenuous effort to obtain certain amendments or additions to the Railway Act. Our Company is composed of one hundred and fifty fruit growers on whose account last season we handled nearly 350,000 baskets of fruit, equal to about two hundred and twenty-five cars, about half of this going out by Express. From this you will see that this matter is of vital importance to us. We placed the matter before the Councils of the Village of Grimsby, and the Township of North Grimsby, who passed resolutions endorsing the proposed legislation, as you will see by the enclosed copies of the resolutions as passed.

Mr. ARMSTRONG, M.P. (Chairman).—The resolutions following were passed by a Company of Fruit Growers in Western Ontario, and afford a further presentation of the case:—

At present no navigation company which is not owned, chartered or used by a railway company subject to the jurisdiction of the Board, comes under their control. In other words, the Richelieu and Ontario Company operating between Queenston, Niagara-on-the-Lake and Toronto, carries a very large amount of fruit. At Niagara-on-the-Lake there is no protection or shelter whatever for receiving the fruit at the dock, and losses have occurred because of destruction by rain. We have no way of compelling this company to provide a shelter because it is not owned, chartered or used by a railway company that is under the Board's control. The Northern Navigation Company, operating the steamers *Huronic*, *Hamonic*, and *Sarenic* from Sarnia to up-lake ports, have for two years past refused to accept fruit or freight of any kind for Sault Ste. Marie, claiming they have not time to unload same there. This action lost for the western Ontario fruit and vegetable shippers one of their very best markets, because of the natural advantages of getting their shipments there quicker than by all rail. That

market has now been diverted almost entirely to New York state. This is another instance where there is no way of remedying conditions, because the Railway Commission has said, 'These companies are not owned, chartered or used by the railway companies subject to the jurisdiction of the Board for the carrying of traffic, and are not, therefore, under the Board's control.'

Mr. ARMSTRONG, M.P. (Chairman).—Now I would like to read just a clause or two from the Secretary of the Fruit Growers' Association of Ontario, Transportation Committee at Forest, Ont.:—

In regard to shipments by water last year, 52,053,913 tons of freight passes through the various canals. Of this amount 39,951,661 tons were products of mines, 8,522,327 tons the products of agriculture, and the next highest was that of manufactures, 1,881,699 tons. It is well to note that the average rate per ton on Canadian traffic by water in 1912 was 91.04 cents, and in 1913 it was 99.37, while for the same years American traffic was 56.62 cents and 55.19 cents, respectively. Canadian traffic increased per ton in 1913 while American traffic decreased.

Mr. ARMSTRONG, M.P. (Chairman).—The fruit interests of British Columbia give their views in a letter of which I will read a copy as sent to Mr. Robert F. Green, M.P.:—

NAKUSP, B.C., April 6, 1914.

ROBT. F. GREEN, Esq., M.P.,
Ottawa, Ont.

DEAR SIR,—The fruit interests of B.C. are very much interested in House of Commons Bill number eighty-five. This Bill, I think, is being pushed by J. E. Armstrong, M.P., of Lambton.

As it is so far away from Ottawa, I don't know how the Bill is getting along, but it would appear to me that there will be a lot of opposition to such a Bill, therefore I will ask you to give your support to this Bill, and if convenient kindly convey to Mr. Armstrong that he has the solid support of the fruit interests of British Columbia, and that as a member of the British Columbia Fruit Growers' Association I wish him every success.

If the Bill has not already passed, I will ask you to help in getting it put through, during the present session, as it is of great importance to the fruit interests, as well as all other lines of merchandise that have to be carried by the ordinary lines of transportation. Should you not be too pressed for time, let me know how this Bill is progressing, or if it is passed, or is it side-stepped for the present, but try and do not let the latter happen to same.

You might send me a copy of said Bill, if there is any of them printed.

Sorry to be bothering you with so many letters, but this Bill is of great importance to our interests, therefore I think it is my duty to help, if a letter will aid.

I remain, yours respectfully,

THOS. ABRIEL,
Vice-President, B.C.F.G. Assn.

Mr. ARMSTRONG, M.P. (Chairman).—There is a strong representation from the vegetable growers, as follows:—

I note by the morning paper that Leamington waited upon the Government one hundred strong, asking that they be granted a large appropriation for a harbour. This is the same cry that every other port on the lakes is making. What avails it, for the Government to spend our millions opening harbours for the transportation companies, who are willing to accept the advantages of them,

and the other untold millions that have been freely spent by the Canadian people to enlarge and deepen our waterways and make navigation possible, when the people who furnish the money have no control whatever of the navigation companies? It seems the height of absurdity, that Lambton county, which is in the centre of inland navigation, is asked to forward their freight all rail to Owen Sound, there to be placed on the Northern Navigation Company's steamers for transportation to Sault Ste. Marie. This means to us four or five days in transit, as against less than twenty-four hours, if loaded at Sarnia.

What object would there be in the Government spending thousands of dollars to open up a harbour at Leamington, if Leamington is in the same position as Lambton in connection with the same market? What advantage does Lambton derive at the present time from its geographical position in connection with its business at the head of the lakes? While rates for this have not been published as yet, it was an ordinary matter for a shipper at Montreal and Toronto to be quoted an all water rate to the head of the lakes, at the same rate as Lambton, and worse than that, was the fact that a Lambton shipper, to secure space, had to get in touch with Toronto three or four days ahead of the date of shipment, to be able to secure space at all. Often it was promised and then the shipper failed to get it.

This matter of Soo connection came up at the executive meeting of the Board of Trade and the representative of the Northern Navigation Company, who also is a member of the Council of the Board of Trade, explained the position of the company, and he most emphatically stated that as he was in charge largely of the operating department, that he was not in favour of their company accepting Soo business.

His argument was that Lambton shippers were at the present time highly favoured with regard to rates, and he considered them extremely unwise to suggest that your proposed legislation should come into effect, as he argued that the Lambton shippers would be the losers by it. This was his talk as a member of the executive.

In the same breath he demanded to know why the Government, or the people, should tell any navigation company how they should run their business.

Allow me to affirm that you have behind you, in this proposed legislation, the entire support of every fruit and vegetable shipping association of the province, and to assure you that they appreciate the good work which you are doing, which we trust you will carry forward to a completion, and that very promptly.

Last spring the Northern Navigation Company notified us of a large advance on all produce rates. After a strenuous session or two with them and a good deal of newspaper agitation we secured an adjustment, allowing them some advance on basket goods only. We pressed for lower rates on certain commodities, such as potatoes, in straight car loads, but were unable to secure any reduction.

The railroads grant what is known as a commodity rate, where shipments of certain products are heavy.

Our county is becoming fast a heavy producer of potatoes, and will need the benefit of much lower rates than are being obtained at the present time, and we cannot press you too strongly to secure for your home county these advantages.

As an illustration, we are to-day paying a water rate on potatoes, to Sault Ste. Marie, 300 miles, 15 cents per cwt., plus dockage at each end, making a total of 20 cents per cwt. Port Arthur, 600 miles, takes the same rate. Compare this with all rail rates, as furnished New Brunswick shippers.

New Brunswick to Toronto, 900 miles, 22 cents per cwt.
 New Brunswick to Sarnia, 1,075 miles, 26 cents per cwt.
 New Brunswick to Port Arthur, 1,450 miles, 36 cents per cwt.

This all lake rate is altogether out of proportion for services rendered and we see no chance of securing any better rate until Board of Railway Commissioners are in control of the situation.

We might say that our association is the largest co-operative association in the province, and our production unquestionably exceeds any other strictly vegetable association.

Moved by Peter Gardiner, seconded by W. J. Menzies—

That we, the Council of the Township of Sarnia, hereby place ourselves on record as approving of the legislation now being placed before the House of Commons at Ottawa, by J. E. Armstrong, M.P., in Bill No. 85, being an Act to amend the Railway Act. We firmly believe same to be in the general interest of the business community as a whole.

JOHNSTON TAYLOR,

Reeve.

SARNIA, ONT., March 20, 1914.

Moved by A. J. Wellington, seconded by Jared Moore:—

That we, the Lambton Growers Co-operative Association of Lambton County, in meeting assembled, hereby place ourselves on record as approving the legislation now being laid before the House of Commons at Ottawa, by J. E. Armstrong, M.P., viz., Bill No. 85, being an Act to amend the Railway Act.

We further believe that this legislation is in the general interest of all classes of the community who have to transact business with transportation companies, and we, as a co-operative association of over one hundred members who will have products to exceed two hundred cars to move this year, request that this legislation should become operative at the earliest possible date.

(Sgd.) J. W. SMITH,

President.

W. D. FERGUSON,

Secretary.

SARNIA, ONT., March 21, 1914.

Mr. ARMSTRONG, M.P. (Chairman).—I have a telegram here from the Lambton Fruit Growers, which is as follows:—

SARNIA, ONT., May 25, 1914.

J. E. ARMSTRONG, M.P.,
 Ottawa, Ont.

We note with pleasure that your Committee considering the new Railway Act meet to-morrow, also note that representatives of Inland Navigation Company have entered strong protest against coming under jurisdiction of Railway Commission when said company are attracting shippers of certain commodities 75 per cent higher freight rates all water and all rail rates on same as quoted based on basis of per ton per mile they no doubt would protest against having their extortionate rates interfered with, but on behalf of London shippers who will have four to five hundred cars of this commodity this season, we request prompt action on this legislation.

LAMBTON GROWERS CO-OPERATIVE ASSOCIATION,

Per GEO. FRENCH, *Manager.*

Mr. ARMSTRONG, M.P. (Chairman).—I will now read the memorandum which I prepared in reference to my proposed amendment to clause 358 of this Bill.

(When the reading of this memorandum had proceeded for a certain distance, Mr. Fowler, M.P., entered the room and the following discussion took place):—

Mr. FOWLER, M.P.—Unfortunately I was not here at the last meeting. Is this the judgment of the Committee you are reading?

Mr. ARMSTRONG, M.P. (Chairman).—I explained to the Committee before starting.

Mr. FOWLER, M.P.—Is this evidence?

Mr. ARMSTRONG, M.P., (Chairman).—This is evidence.

Mr. FOWLER, M.P.—You are supposed to be one of the judges, are you not?

Mr. ARMSTRONG, M.P. (Chairman).—I quite understand that.

Mr. FOWLER, M.P.—I do not quite understand the position; it seems rather an anomalous position, that is all.

Mr. ARMSTRONG, M.P. (Chairman).—I quite understand what you are asking. I explained to the Committee before commencing this that I was responsible for urging this clause to be placed in the Bill. I am sorry that I should be placed in the position I am. I urged upon the Minister of Railways and Canals the need of this legislation. I have brought a Bill before Parliament embodying this legislation and urging upon Parliament the acceptance of it, and I regret exceedingly that this measure should be the first to be dealt with in that way; but as we have heard from a number of the people objecting to the legislation, several members of the Committee urgently requested that some statements be made by those who were supporting this legislation, and I have prepared this evidence to place before the Committee. I recognize my position fully in the matter and am sorry that this legislation should have come forward at this time, but it is necessary that we should have it because on Thursday of this week we are to have four or five of the large corporations who are opposed to it. Mr. King this morning urgently requested that just such evidence as this should be placed before the Committee. If the Committee have any objection to it being placed before them, or to my position in regard to it, I should like to hear it.

Mr. FOWLER, M.P.—I have no objection. I merely came in and had not any opportunity of finding out, and just thought you were reading the judgment of the Committee.

Senator WATSON.—There was nothing else for the Committee to do this morning.

Mr. ARMSTRONG, M.P., (Chairman).—There was nothing else before the Committee. Mr. Geary and several other gentlemen were expected. I will be glad enough to hand in the memorandum and have it printed.

Senator WATSON.—Have you any evidence to show that the shipping interests are making more money than they should make.

Mr. ARMSTRONG, M.P., (Chairman).—I have some evidence. If it is the wish and will of the Committee that this evidence should be handed in I am willing to hand it in, I will go through the memorandum as fast as I can. Mr. Fowler, if you have any objections to make, just make them.

Mr. FOWLER, M.P.—No, I have not; I am going to read it when you have it printed.

Mr. ARMSTRONG, M.P., (Chairman) then read the memorandum as follows:—

CONSOLIDATION OF THE RAILWAY ACT, CLAUSE 353.

I assume full responsibility for the placing of Clause 353 in the Railway Act. Early in the session, I urged upon the Minister of Railways and Canals the importance of bringing the vessels on our inland waters under the Board of Railway Commissioners. I am confident that this is legislation in the interests and for the benefit of the people as a whole and after listening to the debate in the House of Commons which took up a great deal of time on three occasions during the present session discussing the conditions on our Great Lakes in regard to the handling of freight, I decided to bring the Bill before Parliament. The amendment which I have added to the present Clause merely gives the Board of Railway Commissioners control over all vessels coming to our ports, compelling them to file with the Board their tariff agreements and tolls.

My object in asking that all vessels coming to our ocean ports should file their tolls and agreements with the Board of Railway Commissioners is in order that we may have some definite data to assist the commission now appointed for the purpose of investigating the ocean freight rates. By making this request of the ocean liners I do not feel that we are interfering in any way with ocean traffic, but it is important, at this time, that we should be made acquainted with the agreements entered into by the interests coming to our ports. It has also been represented to me that there is discrimination by ocean steamships as between Canadian ports. This clause further requests that all boats carrying freight or passengers between a port or place in Canada to a port or place out of Canada on our inland waters, shall come under the jurisdiction of the Board of Railway Commissioners.

For many years past, it has been represented to me that large shippers on our inland waters receive very low freight rates and that their goods are carried by the vessel-men at a very low profit, while, on the other hand, the small shipper is charged, in many instances, for the carriage of similar commodities excessive freight rates. I am convinced that discrimination in freight rates exists on our inland waters to the detriment of the producer, small manufacturer, shipper and consumer.

The purpose of this clause is to try to bring about some solution whereby the small shipper, whether manufacturer or producer, shall not be discriminated against and I know of no better way of judging between these two interests than to place the control of adjusting their differences under the jurisdiction of the Board of Railway Commissioners.

I have in my possession representations from manufacturers and producers complaining against excessive freight rates; the lack of regulations in regard to ports of call, whereby vessels carrying freight will not stop for a few cars of manufactured goods, hay, fruit or vegetables, and will allow these products and materials to remain for days, if not weeks, in some instances to the serious detriment of said products and the loss of trade to the producer.

It is true that the vessel-men claim and I know of some instances where they are perhaps justified in making the following statements:—That the docks in many instances are either owned by railway interests or private corporations and that the charges made by these interests are so excessive that they would rather lose the trade than be held up by the stoppage charges. That the stevedores and help necessary at shipping points have to be taken into consideration. These are matters which would come under the jurisdiction of the Board of Railway Commissioners and satisfactory adjustments brought about. The expenses entailed on the shipper in many instances are most serious and at present he has no one to apply to for a remedy.

Vesselmen are at liberty to call or not, as they choose; the same trouble exists on freight coming from the head of the lakes, and applies particularly to package freight of all kinds, both ways.

I think it well to place on record a short memorandum in regard to the American coasting vessels and the manner in which they are conducted:—

AMERICAN LAWS.

The American Congress by Act of June 19, 1886, as amended by Act of Feb. 17, 1898, provides:—

‘No foreign vessel shall transport passengers between ports or places in the United States, either directly or by way of a foreign port, under a penalty of \$200 for each passenger so transported and landed.’

It is further provided by s. 26 of the Act Feb. 17, 1898.

‘No merchandise shall be transported by water under penalty of forfeiture thereof, from one port of the United States to another port of the United States, either directly or via a foreign port, or for any part of the voyage, in any other vessel than a vessel of the United States.’

‘This section shall not be construed to prohibit the sailing of any foreign vessel from any one to another port of the United States: Provided, that no foreign merchandise other than that imported in such vessel from some foreign port which shall not have been unladen, shall be carried from one port or place in the United States to another.’

CANADIAN LAWS.

The Canadian Legislature by Act, 2 E. VII, c. 7, s. 3 (1902) and now Section 955 of Chapter 113 of the Revised Statutes, 1906, provides:

‘No goods or passengers shall be carried by water, from one port of Canada to another, except in British ships.

‘If any goods or passengers are so carried, contrary to this Part, the master of the ship or vessel so carrying them shall incur a penalty of four hundred dollars; and any goods so carried shall be forfeited, as smuggled.

‘Such ship or vessel may be detained by the collector of Customs at any port or place to which such goods or passengers are brought, until such penalty is paid or security for the payment thereof given to his satisfaction, and until such goods are delivered up to him, to be dealt with as goods forfeited under the provisions of the Customs Act.’

COASTING REGULATIONS IN REPORT OF FOREIGN VESSELS.

All foreign vessels trading on the coast and entering the harbours of Canada from sea or inland waters, are governed by the following rules:—

Section 1. Foreign vessels may transport cargo and passengers from a foreign port and land the same at two or more Canadian ports, clearing from each in succession until all of said cargo and passengers are landed.

Sec. 2. Foreign vessels may take cargo and passengers from two or more Canadian ports and transport the same to a foreign port, clearing from each in succession, but taking final clearance from such foreign port at the last Canadian port which they enter on such voyage.

Sec. 3. Foreign vessels shall not take freight or passengers at one Canadian port and land the same at another Canadian port, and the master or owner of any vessel found to have violated this rule shall be subject to a penalty of \$400 for each such offence, and the vessel may be detained until the same is paid.

Sec. 4. Foreign vessels bringing cargo or passengers from a foreign port may, after landing the same, be permitted to clear light to another Canadian port for the purpose of loading cargo for a foreign port, and may clear from port to port to complete such cargo, taking final clearance as above.

Sec. 5. Foreign vessels may tow other vessels or things from a foreign port to a Canadian port; but if they drop or part from any such vessel or thing in Canadian waters, they shall not again take such vessel or thing in tow for the purpose of moving the same further in Canadian waters.

Sec. 6. Foreign vessels may tow other vessels or things from a Canadian port to a foreign port, but having parted from such vessels or things, or any of them, in Canadian waters, they cannot take such vessels or things in tow to move them further in Canadian waters; but this and the preceding rule are not to apply to an accidental parting of such vessel by breaking hawser or other temporary damages.

Sec. 7. Foreign vessels shall be entitled to the foregoing privileges only on condition of strict compliance with the provisions of 'The Customs Act,' respecting reporting inwards and outwards on entering and leaving Canadian ports by the masters of such vessels.

Sec. 8. Where vessels bring cargo or passengers from a foreign port consigned to more than one Canadian port, the masters of such vessels must make a full report of the whole contents at the first port of entry, and distinguish therein the items to be there landed and the ports at which all other items are to be landed. Such report must be made in duplicate, with an additional copy for each succeeding port at which there are goods to be landed; and the collector or proper officer of Customs shall mark each item in such report with the entry number, if entered, and in case of any item landed and placed in sufferance warehouse without entry, it shall be marked with the letter 'L' in the said report; duplicate copies to be filed at said first port of entry, and the others to be carried with the vessel, and one to be filed at each succeeding port of entry.

Sec. 9. Repealed.

Sec. 10. For any violation of the requirements of these rules the master or owner of any such vessel shall be subject to a fine of \$400, or such other fine or penalty provided by the said Act as may be applicable to the case, and the vessel may be detained until such fine or penalty is paid.

Senator WATSON.—Have they any control of rates in the United States? They do not say anything about rates.

Mr. ARMSTRONG, M.P. (Chairman).—They have no control of rates on their inland waters. I am merely trying to show that the marine laws of Canada and the customs regulations in regard to our vessels plying or trading along our coasts give absolute protection from any foreign vessel in regard to that work; and by merely stating that I wish to emphasize the fact that we do protect our shipping.

Senator WATSON.—The Americans have the same protection for their vessels.

Mr. ARMSTRONG, M.P. (Chairman).—Very much the same.

Senator WATSON.—It is a question of control of rates.

Mr. ARMSTRONG, M.P. (Chairman).—I am merely showing that they have absolute control over our coastwise trade. Now I would like to quote from the Report of the

Grain Markets Commission of the Province of Saskatchewan for 1914, and if you will be good enough to allow me to embody these extracts I will not trouble the Committee further with them. The Commission made use of some very strong statements, and I think it is wise that we should have all the information we can have on this subject.

Perhaps the most serious objections to the present conditions are being made by the shipper of grain in the Northwest.

The Royal Commission mentioned was appointed by the province 'to examine into the ways and means for bettering the position of Saskatchewan grain on the European markets.'

This Commission reports that the grain of Canada pays more freight to reach Liverpool than does the grain of any other country in the world; also that there has been practically no change since 1909 in the cost of transporting a carload of wheat to Fort William or Port Arthur and selling it on commission. (Mr. Henderson said the rate increased in 1913 by 20 per cent.)

The Commission adds:—

Were Winnipeg to Fort William the ultimate market for our wheat, it would be unnecessary to pursue the inquiry east of these points. Some of our wheat is finally disposed of at Winnipeg, of course, but the great bulk of it is not. Moreover, the price received for that which goes the farthest is what sets the price for the remainder throughout the season of heaviest marketing. It therefore concerns the farmer even more than it concerns any one else what the relation is between the Winnipeg market and the importing markets of Europe, for upon the transportation and other connecting links between these markets will the price received by the farmer in one part depend.

(Extracts from Grain Markets Commission's Report.)

SECTION VI.

COST OF MARKETING AND EXPORTING WHEAT FROM SASKATCHEWAN.

In order to set forth in complete form and as clearly as possible the services which must be performed by the different interests in connection with exporting wheat from Saskatchewan to Great Britain, a table has been prepared and is presented herewith setting forth those services and the charges that were levied in 1913 for their performance. For the sake of comparison, the charges levied for the same services in 1909 are also given.

The services enumerated are those performed in connection with 1,000 bushels of No. 3 Northern wheat shipped through a country elevator in Saskatchewan, hauled to Winnipeg, there sampled and graded by the government, sold on commission to an exporter, hauled to Fort William elevator, inspected out into a lake steamer before the close of navigation, carried to a Georgian Bay or Lake Erie port, unloaded through a transfer elevator into a railway car, hauled to Montreal, unloaded from the car into a transfer elevator, unloaded thence into a steamer and carried to Liverpool or London. This procedure and route are selected because more grain has been handled by this procedure than by any other, and more has been exported via this route than by any other Canadian route. The charges on other routes by which large quantities of wheat are shipped will be considered later.

The charges may be grouped naturally under two heads:

1. Charges paid directly by grower and shipper of consigned grain.
2. Charges paid directly by purchaser of consigned grain, but indirectly by grower and shipper because deducted from the price the grain realized.

The Country Elevator Owner—

	1909.	1913.
For receiving, weighing, elevating, cleaning (when possible) spouting, insuring against fire, storing for first fifteen days and loading into car.	\$ 17 50	\$ 17 50
(For subsequent storage and insurance, if any, three-quarters of a cent per bushel per month. No change).		

The Railway Company—

For hauling from a shipping point in Saskatchewan to Fort William, a distance of from 641 to 1,086 miles, \$96 to \$144 per 1,000 bushels, on an average, say.	120 00	120 00
For hauling from a Georgian Bay port or Port Colborne to Montreal.	42 50	42 50
(This is a five per cent rate, but it includes elevator charges at either end of the haul; for these services three-quarters of a cent has been deducted.)		

The Dominion Government—

For sampling and inspecting at Winnipeg, fifty cents per car; for weighing at Fort William, thirty cents per car; for cargo inspection out of Fort William, fifty cents per 1,000 bushels; for cargo weighing out of Fort William, thirty cents per 1,000 bushels.	1 60	1 60
--	------	------

The Commission Merchant—

For selling wheat on Winnipeg Grain Exchange, one cent per bushel.	10 00	10 00
--	-------	-------

The Exporter—

Not possible to determine exactly, say.	10 00	5 00
(See chapter on exporting.)		

The Terminal Elevator Owner—

For receiving, elevating, cleaning, spouting, insurance against fire and storage for the first fifteen days..	7 50	7 50
---	------	------

The Bank—

Interest and exchange on money supplied to meet draft of shipper on commission merchant; interest on say \$700 for one month.	3 50	3 80
Exchange on say \$700.	90	1 75
Interest on money supplied to exporter to finance the exporting of the wheat on \$1,000 for say two months.	10 00	10 85

The Lake Steamship Company—

For carrying wheat from Fort William or Port Arthur to Georgian Bay ports or Port Colborne (October or November charter).	10 00	20 00
---	-------	-------

The Transfer Elevator Company—

For elevation from vessel to cars at Georgian Bay or Lake Erie port and fifteen or thirty days' free storage of export grain.	2 50	2 50
For transfer from railway car to ocean vessel at Montreal and twenty days free storage.	9 00	9 00

	1909.	1913.
<i>The Ocean Steamship Company—</i>		
For carrying wheat from Montreal to Liverpool, London or Glasgow..	40 00	75 00
(On the basis of November, 1912, freight rates, May, June, July and August rates were higher in 1913.)		
<i>Marine Insurance—</i>		
Insurance while on Great Lakes; average figure (first and second-class boats) for September-November shipments to lower lake ports, .7 per cent on \$800..	5 60	5 60
Insurance while on Atlantic (first half of November rate from Montreal) .4 per cent on \$1,000.. . .	4 00	4 00
<i>Sundry Charges—</i>		
Insurance against fire while in eastern transfer elevators, transfer of money from Europe to Canada, fees connected with sundry documents, certificates, &c., say..	10 00	10 00
Total..	\$304 60	\$346 60

These charges it will be remembered are those levied on wheat exported by one of the direct and most used routes and with the least delay. More wheat is shipped through without being held for any length of time at any point in transit, than is held in store for extended periods *en route*. This condition results in higher charges being asked and secured for lake and ocean carriage in the fall, and in lowering of the price that importers are willing to pay for our wheat delivered during the last months of the year.

Whether the higher price that could be obtained from importers for later deliveries would more than offset the storage and interest and insurance charges, that must accumulate month by month against grain once it has been delivered at a public grain storage, is a point that cannot in the nature of things be determined.

So, too, is the question of whether finances could be obtained to permit of a larger percentage of our wheat being held in public storage elevators over the winter for sale to Europe in the spring.

An imaginary shipment of one thousand bushels of wheat has been traced through a much frequented route with a view to noting the various charges it encounters in its journey to the ultimate markets. To corroborate in general the total of the charges as above set forth, and to give some idea of how these compare with charges encountered by our grain when exported through the United States the following statement by a leading exporter will be of interest. We find at present (late fall of 1912) the cost of taking wheat from Fort William by lakes to a foreign market, such as Antwerp, Rotterdam or London, is very closely as follows:—

Elevation at Fort William and fees..	\$.83 per bus.
Lake freight, Fort William to Buffalo, average for the season..	1.50
Marine Insurance.. . . . .	.40
Rail, Buffalo to New York including elevation at Buffalo.	6.00
Elevator and lighterage at New York..	1.00
Seaboard commission for handling grain and documents	.25
Ocean Insurance.. . . . .	.35
Average tramp steamer rate last fall..	10.50
Total..	\$20.83

Besides this there are some incidental items, such as interest on the money invested in this grain between the time it is paid for in Fort William until it is on board ocean steamer and draft can be drawn against ocean bills of lading; Also small items of exchange between west and east. From Winnipeg to New York this amounts to in the fall about one-eighth of a cent more on exchange and one-quarter of a cent more on interest and adding an exporting profit of one cent per bushel, will make a total cost of about twenty-two and a half cents between Fort William and foreign markets.

Ocean freights this fall, 1912, have been exceedingly high, much higher than we have ever known them in twenty years and I am satisfied much higher than they will be this coming summer. For instance, we find during the fall of 1911, a usual tramp steamer rate from standard ports like New York or Philadelphia to standard ports abroad ruled about six and a half cents instead of ten and a half cents this past fall.

Going back further than that we find a series of several years in which the standard rate was about four and a half cents per bushel.

Our own judgment is that by the time the Welland Canal is completed to its proposed larger depth the standard ocean freight will be found to be not over five cents per bushel. In our judgment this Welland improvement is exceedingly important to the grain growers of Western Canada. With that improvement we believe grain can be shipped during most of the open season of navigation via Montreal at something like the following cost:

Elevation and fees at Fort William..	\$.83
Lake freight on large steamers to say Ogdensburg for Tranship to Montreal..	1.50
Marine insurance Fort William to Montreal.. . . . .	.60
River freight Ogdensburg to Montreal including elevation.	1.75
Harbour charges at Montreal.. . . . .	.30
Ocean insurance.. . . . .	.50
Seaboard commission for shipping and handling documents.	.25
Ocean freight to standard ports abroad..	5.00
Total..	<hr/> \$10.73

Adding interest and exchange, say one-half cent, and exporting profit of one cent and you have a total cost between Fort William and foreign markets of twelve and a quarter cents as against an average cost this past fall of twenty-two and a half cents.

In our judgment with normal conditions again in the ocean freight market and with the improvements in the Erie canal, the deeper Welland and a normal lake freight this cost of reaching a foreign market will be found not far out of the way.

The actual cost of exporting grain in the spring of 1913 via Montreal as given by a firm of Canadian dealers is as follows:—

Cost via Great Lakes, St. Lawrence River and Montreal:—

Charges at Fort William..	\$ 1.00
Lake freight, Fort William to Montreal..	7.25
Lake insurance.. . . . .	.35
Montreal broker.. . . . .	.25
Ocean freight, Montreal to Europe..	9.75
Ocean insurance.. . . . .	.25
Total..	<hr/> \$18.85

The cost of exporting via New York at the same time, is estimated by the same firm as follows:—

At Fort William..	\$ 1.00
Lake freight..	2.25
Lake insurance.. . . . .	.22
East from Buffalo (rail)..	5.50
Jobbers at New York.. . . . .	.90
Brokers and weighing.. . . . .	.25
Ocean freight..	9.00
Total..	\$19.32

SECTION XI.

Lake Freight Rates.

There are three classes of lake freight rates on Canadian grain ex Fort William or Port Arthur. These are:—

(a) The through rate, all water to Montreal;

(b) The rate from upper lake ports such as Fort William, Port Arthur or Duluth to lower lake ports such as Tiffin on Georgian Bay; Goderich and Port McNicoll on Lake Huron, Port Colborne and Buffalo, on Lake Erie, or Kingston on Lake Ontario;

(c) The rate from Lake Erie or Lake Ontario ports to Montreal.

These, with the rail rates from lower lake ports to Montreal and to United States Atlantic ports, cover the entire lake freight situation.

Unquestionably the cheapest means of carrying wheat from Fort William to Montreal should be by continuous passage in the hold of one steamer. The efforts of those responsible for developing and controlling the inland waterways of Canada and their trade. This can be done in two ways at least.

AVERAGE Lake Freight Rates on Wheat from Fort William or Port Arthur to Montreal for each month of the season of navigation in the years 1909 to 1912 inclusive.

CENTS PER BUSHEL OF WHEAT.

	1909.	1910.	1911.	1912.
April..		5.400	5.062	
May..	4.825	5.402	4.750	6.022
June..	3.977	4.026	3.812	5.178
July..	3.100	3.171	3.187	4.750
August..	4.000	2.190	4.250	4.750
September..	4.670	3.750	4.625	5.125
October..	6.080	4.791	5.520	6.666
November..	5.103	4.611	6.041	7.333
December..	3.666			

YEARLY AVERAGES (FROM SAME SOURCE.)

	CENTS PER BUSHEL.			
	1809.	1910.	1911.	1912.
Wheat.....	4·930	4·164	4·993	5·932
Oats.....	2·781	3·142	2·520	4·015
Barley.....	5·750	3·500	2·416	3·625

The Department of Trade and Commerce gives the following as having been the rates during 1910 and 1911:—

1910. 'Rates opened at from six cents per bushel on wheat for first trips; for second it quickly went up to five cents per bushel. Early in June it dropped to four cents per bushel. Early in June it dropped to four cents per bushel where it remained until the beginning of July, when the low rate of the season, three cents for wheat, was charged. In August the rate went back to three and one-half cents. At beginning of September it went to four cents; later on to five cents. During October and November the rate fluctuated between six and seven and one-half cents; the top rate being eight cents which was charged early in November.'

1911. 'Rates opened at five and one-quarter cents per bushel of wheat. In May dropped to four and one-quarter cents per bushel. About middle of September rose to four and three-quarter cents. October and November rose to six and one-half cents per bushel.'

The Department of Railways and Canals gives the rates from Fort William to Montreal during 1912 as follows:—

Month.	Cents per bushel.	Cents per ton mile.
May.....	5·444	·147
June.....	4·433	·120
July.....	5·203	·141
August.....	5·227	·141
September.....	5·439	·214
October.....	6·149	·184
November.....	7·129	·193

Another advantage which the lake and rail route enjoys is access to the cheapest winter storage in Canada. During the months of September, October and November export trade is largely in the next month, whichever that may be. Subsequent business is largely for May or June delivery. Thus the exporter must be prepared to acquire a quantity of grain in the late fall and store it until the following spring. Following are the rates per bushel charged for winter storage at the principal points at which any large amount of space is available:

Short Period for the Winter.

Country elevators in the west, $\frac{1}{40}$ cents per day equals $4\frac{1}{2}$ cents for the winter.

Terminal elevators at Fort William or Port Arthur, $\frac{1}{30}$ cents per day equal 6 cents for the winter.

Goderich and some other Lake Huron or Georgian Bay elevators, $\frac{1}{3}$ cents for 15 days; 1 cent for the winter till May 1.

Port McNicoll, $\frac{1}{8}$ cents for 15 days; $1\frac{1}{2}$ cents for winter storage.
 Port Colborne, $\frac{1}{8}$ cents for 15 days; $1\frac{1}{2}$ cents for winter storage.
 Montreal, $\frac{1}{4}$ cents for 10 days; $1\frac{1}{2}$ cents for winter storage.
 It will be noted:—

1. That western storage costs three or four times as much as eastern;
2. That some Georgian Bay elevators, at least, offer winter storage for half a cent less than it can be obtained elsewhere in the eastern.

In addition to the cheapness of the storage it should be noted also that there is several millions of bushels more capacity available at Georgian Bay and Lake Huron ports than at the principal ports on the all-water route. Thus lake and rail routing to the shipper desiring winter storage carries with it advantages, not at once apparent in a comparison of rates via this route and via the all-water route, equivalent to one and five-sixths cents. The two Canadian routes, therefore, may be regarded as being on a parity the one with the other.

THE ROUTE VIA BUFFALO AND UNITED STATES ATLANTIC PORTS IN BOND.

It is to be regretted that with such a magnificent waterway as the St. Lawrence in our possession, Canadian grain should be exported through any but Canadian channels. There is, however, some slight compensation in the fact that a considerable quantity of United States grain is exported via some Canadian ports, principally Montreal. The following statement sets forth the volume of these two crossing streams:—

Quantity of Canadian wheat exported from United States ports in the years mentioned:—

	Bushels.
1909..	23,487,488
1910..	27,129,471
1911..	24,192,228
1912..	55,507,853

Quantity of United States wheat exported from Canadian ports in the years mentioned:—

	Bushels.
1908..	10,908,194
1909..	12,761,605
1910..	3,884,202
1911..	1,623,172
1912..	7,335,494

Practically all of these exports were from Montreal.

It has been pointed out that an increasing percentage of our grain shipments from Fort William and Port Arthur, amounting in 1912 to forty-two per cent, go to Buffalo or other United States lake ports for export in bond through United States Atlantic ports. This condition exists in spite of the following charges levied against wheat exported via Buffalo:—

	Per bushel wheat.
Lake freight rate Fort William to Buffalo say.	2 cents.
Rail haul Buffalo to New York or Boston including elevation charges at Buffalo of half a cent per bushel and lighterage at New York.	5 $\frac{1}{2}$ “
(This rate is increased to six cents when navigation closes at Montreal.)	
Elevation, weighing, &c., at New York.	$\frac{3}{4}$ “
	<hr/>
	8 $\frac{1}{4}$ “

As compared with:—

	Per bushel wheat.
Fort William to Montreal, all water, including all port charges at Montreal and twenty days free storage. . . .	6½ cents.
Fort William to Montreal, lake and rail, including all port charges at Montreal and additional fifty days free storage.	7 “

It will be noted that in spite of the much greater distance from upper lake ports, and the fact that Buffalo lies east of Cleveland (the source of the return cargo) lake freight rates to Buffalo are as a rule less than to Canadian ports on Georgian Bay and Lake Huron. The Commission believes that the principal cause for this apparent discrimination lies in the fact that shipments from Canadian upper lake ports to United States lower lake ports are international business and as such are open to either Canadian or United States vessels, while shipments from Canadian upper lake to Canadian lower lake ports are Canadian business and as such are, under Canadian Government coastal regulations, available only to vessels of British register. Whatever the causes may be this alternative remains: either the lower rate for the longer haul to Buffalo is unremunerative (in which case United States vessels would scarcely accept this business, whereas at present they do the most of it), or the higher rate for the shorter haul is unduly remunerative to Canadian Vessel owners who are only enabled to levy the extra charges by reason of being protected from outside competition by the coastal regulations.

The explanation of the increasing shipments to Buffalo in spite of the heavier charges levied on shipments routed via United States channels is to be found in four facts:—

1. The ports of New York, Baltimore, &c., are open twelve months of the year, whereas the port of Montreal is open only seven months of the year: it is to these United States ports that grain shipped to Buffalo goes for export;

2. Ocean insurance rates and, partly in consequence, ocean freight rates, are much lower from United States Atlantic ports than from Montreal;

3. In consequence of high insurance rates and the port being smaller there is less certainty about securing ocean space at Montreal just when needed than at United States Atlantic ports;

4. Both United States and Canadian vessels are available for shipments to Buffalo or other United States ports, while only Canadian vessels are available for shipments to Canadian ports, and owing to the seasonal nature of the business there is not always sufficient Canadian tonnage to take care of it.

The first three reasons concern ocean rather than lake transportation, and consideration of them will be reserved to a more appropriate place.

Regarding the fourth reason, it is to be noted that the Canadian lake shipping interests are protected by the coastal regulations of the Department of Customs. These interests should provide the service they are protected to enable them to provide, or, as far as Canada is concerned, the carrying trade on the great lakes should be thrown open to all comers. The service required of Canadian lake shipping interests is the provision of an adequate amount of tonnage for the carriage of Canadian grain from upper lake ports to Canadian lower lake ports or Montreal at a reasonable freight rate.

It is more important to Canada that the St. Lawrence waterway be established as the principal artery through which shall flow the grain exports of Canada, and that western grain shall secure reasonable rates on the lakes and upper St. Lawrence, than that an irresponsible and unregulated Canadian merchant marine shall be built up on the great lakes. The Dominion Government can seek to secure an adequate service at a reasonable cost in one or more of several ways. It can:

1. Endeavour to reach an agreement with the United States Government by which, in place of the present childish arrangement that enables the shipping inter-

ests of each country to levy higher tolls on domestic business than they can levy on international business, all ports of the Great Lakes shall be thrown open to the ships of both countries for all classes of business. This would widen the competition on the lakes and should redound to the advantage of Canadian lower lake ports and the western farmer; or

2. In the event of such an arrangement not being made, throw the carrying trade between Canadian lake ports open to the United States vessels in the interests of the St. Lawrence route and the western farmer; or

3. Establish a government operated line of steamships on the Great Lakes to provide sufficient Canadian tonnage for Canadian business and to keep freight rates on a reasonable level; or

4. Fix certain maximum rates on grain freights between Canadian ports, with the understanding that if Canadian tonnage does not prove adequate to the proper handling of the business, tonnage of other flags will be admitted to the trade.

As has already been pointed out, a very large portion of our grain reaches market through the port of New York. It is transported by boat to Buffalo, thence by rail to New York, where, for many reasons, it can find a European market in the easiest way. The present cost of transportation of our wheat from Buffalo to New York is five and a half cents per bushel in the summer and six in the winter, with an additional charge in New York harbour of three-quarters of a cent for elevating from the lighters and weighing. This service has been performed in past years for as low as two and a half cents by the old Erie canal in small boats carrying about eight thousand bushels, which quantity is called in the trade a load of grain. This canal has become obsolete and there is being built a new canal. This canal is one of the largest works of the kind ever undertaken, and is said to be only second in that respect to the Panama canal. Boats are now being contracted for by a number of companies who expect to operate them as soon as the Erie canal is opened. The Commission has been informed by some of the men who are building these boats that after going into the question with engineers and others, they are satisfied that wheat from Buffalo can be put alongside ocean steamers in New York harbour at a cost to them of one cent per bushel. They expect to be able to develop a trade by which they will get return cargoes and serve the whole of the Great Lakes region with package and other freight transportation. They are going into the matter in a thoroughly comprehensive and business-like way and some of the directors of these companies are now in Europe studying similar situations there, from the standpoint of securing and handling west bound freight.

One of the largest exporters of Canadian grain, and a man who is active at the present time in the building of these barges, recently said that there was no doubt in his mind but that as soon as the Erie canal was in complete operation Canadian grain would be carried from Buffalo to New York during the period of navigation at a rate not exceeding two cents per bushel. The present rate as previously stated is from five and a half to six cents per bushel.

The expense per day in connection with running a 10,000 ton freighter on the lakes, carrying about 300,000 bushels of wheat, as given by the president of a lake freight line at Duluth and by the captain of a large Canadian freighter, is given below. There is little difference in the cost of operating Canadian and American boats, wages being slightly lower on Canadian boats.

Wages.	\$ 55 00
Coal.	100 00
Provisions.	10 00
Towage.	10 00
Oil and grease.	15 00
Insurance.	50 00
Total.	\$ 240 00

The earnings of this class of boat carrying a bulk cargo of grain between upper and lower lake ports would be \$4,500 per trip at one and a half cents per bushel. A vessel makes a trip in about seven days and a round trip in fifteen days. The large ships usually get coal cargoes back, on which they earn thirty cents per ton or, on a cargo of 10,000 tons, \$3,000.

If the above cited figures are approximately correct and traffic could be so arranged that a boat would have full cargoes of grain during the whole season between the upper and lower lakes the business would be immensely profitable one at one and a half cents per bushel. On the contrary, if the traffic has to be crowded into eight trips out of the fifteen that the boat should make, a much higher freight charge must be made. To take full advantage of the finest of all inland waterways, which has been improved at an expense of about \$300,000,000 by the Canadian and American governments, grain must be available for freights during the whole shipping season, so that rates may be reduced and kept at the minimum.

The traffic must be so arranged that the boats shall be loaded with all possible despatch, and the expense of about \$250 per day shall be available for grain moving and not for lying idle in ports.

The information given to the Commission goes to show that with the same business methods adopted as exist in the ore business grain could be carried just as cheaply, i.e. for twenty-five cents net per ton.

Mr. ARMSTRONG, M.P. (Chairman) then proceeded to read his memo. as follows:—

The vesselmen have been here to protest against this legislation. They claim that parliament should not surround them with restrictions of any kind; that they should be left free to charge whatever freight or passenger rates they choose; that regulations as to time or place of stopping, filing of rates or traffic agreements, in short, no restrictions whatever should be placed on their operations. They further state that they are not common carriers in the same way as that term is applied to railways.

Permit me to remind the Committee that the people of Canada, through their representatives, have spent through the Public Works Department, since Confederation —

Statement showing total expenditure by this Department on Harbour Works and improvements to navigation. (Sea coasts and inland) from Confederation to March 31, 1913.

Construction and repairs.	\$56,523,856 36
Dredging.	34,129,833 04
Total.	\$90,653,689 40

This total includes the sum of \$6,845,460.31, expended from Confederation to June 30, 1904, for improving the River St. Lawrence Ship Canal. Cost of buoying and lighting since Confederation, \$34,318,455 for construction and maintenance.

The expenditure by the Department of Railways and Canals up to March 31, 1913, \$138,308,079.51. Making a total of \$263,280,223.91.

When the Welland Ship Canal is completed this will be increased, along with the other improvements under consideration at Halifax, St. John, Quebec, and Montreal. Vancouver and other ports, to \$350,000,000.

In the statement of the Department of Railways and Canals, page 85, you will find a further amount of \$1,929,021.97. This expenditure is increasing year by year and the charges of maintenance of operation are borne by the people.

Vesselmen are continually asking for improvements to our harbours and rivers. We have a large fleet of dredges, ice-breakers and tugs continuously employed in assisting navigation. Our rivers are buoyed and lighted, wireless telegraphy and many other aids to navigation are mentioned and operated by the people of Canada, practically all of which are free from the vesselmen and for which they are not compelled

to make any sacrifice. Is it unjust or unfair to ask that the public be surrounded by some safeguards in return for these many advantages? Is it too much for the people to ask that some assurance be given them that their interests will be protected and that whatever is done by the vesselmen is in the interest of the public.

The vesselmen protest strongly against being controlled by the Railway Commission and say that such control will result in increased freight rates and combinations. They insist that the speculative element will be removed.

If by placing the shipping interests under the Railway Commission, as they argue, means increased freight rates, why should vesselmen protest or object to this legislation? Increased freight rates mean increased profits and as the vesselmen have plainly told us they are not in the business for their health alone, why should they object to this legislation? I am also told that increased profits will bring added competition and that more freighters will be added to the fleet. I do not believe that the people of Canada would object seriously to increased tonnage on our inland waters.

On January 1, 1913, there were 8,380 vessels numbered on the Register Book of the Dominion, and the total to-day is 8,500.

The Marine and Fisheries Department estimate that 42,490 men and boys, inclusive of the masters, were employed on ships registered in Canada during the year 1912.

Total tonnage through Canadian and American canals, 79,718,344 tons; 55 per cent of this passed through Canadian canals.

Forty thousand four hundred and ninety-six passengers passed through Canadian canals in 1913, this being 52 per cent of the total.

We furnish every means to assist transportation; we protect the marine interests from foreign shipping.

There is nothing in the proposed measure that will in any way interfere with the supervision exercised by the Marine Department over steamers—this control being entirely in connection with the safety of navigation and the protection of seamen.

We retain for our own vessels the exclusive right to enjoy the coasting privileges. It is therefore necessary in the interest of the public that the shipping interest should be controlled in some way by this Government and I know of no better way than to have them come under the control of the Board of Railway Commissioners.

By the statement in the Bill which says from any port in Canada to any port out of Canada, the Board of Railway Commissioners will be able to compel the ocean-going vessels to file with them all trade arrangements, tolls, traffics, &c. They will, if thought advisable, have to file with the Board their Standard Tariffs. Similar to R.R. Sec. 325 they will further file from time to time any special tariffs which will be lower than the standard rate. There are three sets of rates. On our railroads very little of our commerce moves under standard tariffs. These are the tariffs which provide for the different rates on all the different classes in the further classification. The standards are valuable because they make a maximum rate, irrespective of the fact that very little business may move, or that carriage is expensive, but their greater use is in constructing the different commodity tariffs which are scaled down from the standard. In like manner it is used for town and distribution tariffs. These also are scaled down from the standard. Generally speaking, all commodities moving in bulk, are handled on commodity rates, which are very much lower than any standard rate. While the practical movement or distribution of merchandise is made from distributing centres under town tariffs which are again much lower than the standard rates, town tariffs would not have ready application to the steamship business, except as forming part of a rail and water movement. Commodity rates would from the first be important, as independent carriers might well handle a large proportion of the grain and flour movement from terminal, to terminal, or from terminal to flour mill. For instance, from Fort William to flour mill at Port Colborne.

The vesselmen seriously objected to this legislation because of the competition likely to be brought about by the United States vesselmen. We already have restrictions protecting our shipping interests from foreign competition, such as our customs regulations, marine laws governing shipping, which are certainly most lenient.

Clause 358, as recommended by me, compels United States shipping interests to file their tariff and trade agreements when taking traffic from our ports, the books will be open to inspection and the Railway Commission will be in a position to better judge the wisdom of the statement made by the vesselmen.

Grain is the only commodity which the United States vessels are likely to carry for Canadians from the head of the lakes in large quantities. Restrictions were removed last year from these vessels entering our ports; no serious harm appears to have resulted to our vesselmen. In fact, Mr. Ferguson admitted the other day that he personally came to Ottawa and urged the Government to remove these restrictions knowing that the Canadian fleet could not handle the grain.

The Railways which have large boats on the Great lakes for the carriage of passengers and freight are now working under the Railway Commission in a similar way to the manner in which we are asking all vessels by this legislation to operate. I have not heard any serious objection from the Railway men as to the manner in which they have been treated by the Railway Commission and as they are not experiencing any hardships through the present arrangement why should not all other vessels be treated in the same manner?

It has frequently been stated that the Canadian vessel owners do not receive a reasonable return for capital invested.

I read the following clipped from the 'Canadian Courier', March 5, 1914.

R. & O. RUMORS.

MARCH 5, 1914.

There has been some talk on the 'street' about the possibility of Mr. James Playfair organizing a rival steamship enterprise to the Canada Steamship Lines. This does not seem to be very probable, for the steamship merger is now so secure, largely because of its terminal arrangements, that any new concern would have their difficulties.

Some facts as to the year's business of the R. & O., are to hand. Recently, Mr. James Carruthers said that the earnings would be very near the million mark and it is now stated that they are \$976,512. Mr. Carruthers points out that the different companies making up the Canada Steamship Lines would show net profits of \$1,600,000.

The shares of the Canada Steamship Lines are to be placed on the London market, it being the desire of the directors to establish a market for the securities before they are transferred to old R. & O. holders. Up to date \$3,500,000 has been received from the sale of the new issue in London; the greater part of this has been used in settling obligations of the new merger.

This Bill will empower the Commissioners when necessary to provide a speed limit: for instance on the River St. Clair the United States Government control the speed of vessels; on our shore no limit is enforced. Consequently vessels are forced through our waters at very rapid rate and as a result the shore line is being washed away at many places and much property seriously damaged.

I introduced a deputation from several townships bordering on the River St. Clair, to the Minister of Public Works some weeks ago asking that the shore lines and bridges be protected, and for retaining walls to be built that appeared to me would cost hundreds of thousands of dollars. The grievances referred to by me call for a remedy. I believe the remedy is provided in the clause and my amendment.

There is no law at present regulating tolls and trade agreements on our inland waters, other than with boats connected or controlled by our railways.

It is the duty of this government to provide fair regulations.

To enable manufacturers, producers and merchants to do business on basis of reasonable service.

To make steamboat owners responsible for failure of certain duties.

To fix reasonable penalties and insure reasonable service.

To give the Commission power to control the speed limit.

To provide for fair and equitable treatment of all interests using our navigable waters.

Vessels which give reasonable service need not fear this law; those which do not give such service should be compelled to do it.

Give shippers a fair show to secure a fair service for a fair rate.

I regret exceedingly that this matter should have been forced on the Committee at such an early stage in its proceedings because I feel that in the position in which I am placed as Chairman, representing the House of Commons, it may be thought that I am taking an unfair advantage of that position as Chairman and forcing my views on this Committee. I can assure you that nothing is further from my thoughts. Were I removed from the Chairmanship I would feel more free to force my views and opinions on the Committee than I am in the position I occupy. All I would ask is that this Committee will give all interests an opportunity to present their views in regard to this very important matter, and I am sure that it is the wish of the Committee that whatever legislation is enacted that it will be for the general welfare of our people as a whole, and that this clause will be decided on its merits. Up to the present I have not heard anything to convince me that I am not right in proposing this legislation and pressing for its acceptance by the Committee, and I hope that my being Chairman of the Committee will not prejudice the case one way or the other.

Senator YOUNG, (Chairman).—Mr. Geary is here representing the municipality of the City of Toronto and would like to be heard.

Mr. GEARY.—The suggestions which I have to make have already been submitted to the Minister who was with Mr. Price at the time, and the suggestions were supported at that time by the Union of Canadian Municipalities and representatives from other municipalities, some in the west, some in Ontario and from Montreal. We asked particularly that there should be a change made in regard to the clause providing for the protection of level crossings. In the old Act the sections are 235 and 237; and the provision which is carried into this Bill is that where there is a grade crossing of a railway by a highway, or the other way about, the Board may order that the grades be separated, and may impose the cost, as it in its discretion thinks wise, partly upon the railway and partly upon the municipality. The clauses in the Bill are 256 to 269 under the heading: "Highway Crossings." Clause 263 deals with the grade separation fund which the government allots for division amongst municipalities. There is a restriction on that to the effect that only three crossings can be attended to by that fund through the year. I am not authorized particularly to speak for our western friends, but Edmonton and Winnipeg were particularly anxious about the clause relating to the separation of grade. They claim that where a highway exists if it is necessary to separate the grades there should be no option by the Dominion Board of Railway Commissioners to impose any part of the cost of separating the grades, on the municipality. That should be a matter solely at the charge of the railway company which has produced the danger. On principle there seems no reason other than that of the plea of expense which may be put up by the railway company, why the railway company should be permitted to continue a course of operation which is highly dangerous to any member of the public who has occasion to use the crossing. Perhaps something could be said where the crossing of the railway is senior to the highway.

Senator MCSWEENEY.—What is the proportion of cost now?

Mr. GEARY.—There is no fixed proportion. It is determined by the Board. In the case of Toronto the cost of the crossings on the bay front has been divided between the city, the railway company, and the government, one-third each. In that case the city of Toronto will have to pay many millions to furnish protection against the danger caused by the railway companies crossing pre-existing highways.

Senator WATSON.—Do you claim that the railway companies should bear all the expense?

Mr. GEARY.—They should. The Committee should have jurisdiction to determine where there should be a separation of grades, but at least in the case where the highway was senior to the railway, and a separation of grades is necessary, there should be no apportionment of any portion of the costs between the railway company and the municipality. There should be no charge against the municipality in any case.

Senator LOUGHEED.—Do you not think the railway has been a great advantage to the district and has improved the properties adjacent to it and given advantageous conditions?

Mr. GEARY.—That has always been what the railways would say, but there are two sides to that question. The railways could not exist without the public, and the public would find it rather difficult to exist without the railways.

Senator WATSON.—Is it fair to bring a railway company into a district and later on impose on them the responsibility of separating the grade?

Mr. GEARY.—I do not see anything unfair in it. If they have enjoyed for many years the crossing of a road it is only fair now that the locality has been built up that the railway should get away from that state of affairs and go to the expense of separating the grade. The Dominion Parliament has recognized that, and by an Act passed in 1909 provided that all railways built after 1909 should separate grades at their own expense. We want to make that provision go further back, and where it has crossed highways the same provision should apply, but it would be fair that the Commission should decide in the first place, leaving the question of expense out of consideration, whether or not there should be a separation of grades at that point. This is very strongly felt in the west.

Senator THOMPSON.—The Railway Commission would be moved to consider the proposition largely on the municipality coming there and saying 'There is danger there' and the result would be that the order would be made on the demand of the municipalities, for purposes that would serve their interests quite as much as the interest of the railway coming to that point.

Mr. GEARY.—It is a matter that cannot be disposed of at first blush. One will have to consider the state of affairs all through the country, and it has become so aggravated in the western provinces, that I think the strongest claim comes from them for this change in legislation. The union of municipalities has asked for it, and the mayor of Windsor has wired me in regard to this saying how important it is to that municipality. We urge with all the force of which we are capable that that should be taken into consideration, and that the cost of the separation of grades should not be in any proportion upon the municipality.

Mr. ARMSTRONG, M.P. (Chairman).—You do not object to the whole clause.

Mr. GEARY.—No, it is perfectly proper there should be provision made for the separation of railway grades, and that the Dominion Railway Board should have charge of that.

Mr. ARMSTRONG (Chairman).—Have you prepared an amendment?

Mr. GEARY.—We have not, because it might seem somewhat gratuitous on our part to do so. If the Committee were to suggest that we should put it in the form of an amendment, we would be only too glad to do so.

Senator BEIQUE.—You do not mean that this should apply to the separation of every grade?

Mr. GEARY.—That is the application. The argument has been divided and taken up from two standpoints: one from the standpoint of the seniority of the railroad and the other from the seniority of the highway. That has always been supposed to enter into the consideration by the Railway Board, but that has been more or less overlooked in some cases.

Senator WATSON.—The highway is always the senior road.

Mr. GEARY.—No, not always. The concession lines, and so on, are laid out prior, of course. In a city there are a great many which are not laid out prior. In the case of the North Toronto grade separation, the Dominion Railway Board absolutely refused to consider the question of streets that had not been opened across, but which met each side of the right of way, being opened at all at the expense of the grade separation, and where it was a matter of the municipality being junior, we got rather a poor result. Where we were a junior road the old argument was used against us, but where it was a senior road we had to pay jointly with the Grand Trunk and the C.P.R. to get grade separation on highways that existed long before the tracks were put there.

Senator YOUNG.—What proportion did they impose on the city?

Mr. GEARY.—One-third.

Senator YOUNG.—In the North Toronto grade separation?

Mr. GEARY.—That is under advisement by the Railway Board. I do not know how much it will be. In the western part of the city the Grand Trunk separates its grade through Parkdale, and the city there paid one-third, although the Grand Trunk Railway got a substantial betterment of the grade.

Senator BOSTOCK.—Do you tax the railways in Toronto?

Mr. GEARY.—Yes, the railways are taxed.

Senator THOMPSON.—Would you not think a question of that character might well be left to the Railway Commission as to whether the municipality should pay, even where it was the senior road? Do you not think they would consider all the elements that entered into the vested rights, and there might be one place where the municipality would be benefited beyond any question, and you would not cut it out entirely and say that this thing should not be dealt with by the Railway Commission.

Mr. GEARY.—No, I would not say that.

Senator THOMPSON.—You have no faith in the Railway Commission?

Mr. GEARY.—Yes, we have, but they are bound by a course of dealings that existed for a long time.

Senator THOMPSON.—They are not really bound, but there are certain equities which they regard—

Mr. GEARY.—Well, they are in a way bound.

Senator YOUNG.—You have great faith in them, but you would like to keep your powder dry at the same time.

Mr. GEARY.—Yes, and there are many matters left to the Railway Commission that we would sooner have closed absolutely.

Senator WATSON.—They go back to precedent.

Mr. GEARY.—Oh, they have right along. I think I have given you all that I can say in that connection. As I stated when opening my remarks, we were there long

before the railway. The coming of the railway has created a danger, and the danger is very open and it is obvious, and it has cost a great loss of life, and we feel the time has come when the municipalities should be relieved from that burden.

Senator LOUGHEED.—You gave an illustration of streets ending on either side of the right-of-way. Those streets would be opened up, I suppose, by reasons of the railway. They would be new subdivisions of the city.

Mr. GEARY.—No, nothing to do with it.

Senator LOUGHEED.—You mentioned Parkdale. Parkdale was laid out long after the building of the Grand Trunk.

Mr. GEARY.—Yes, some divisions were, but Dufferin street existed before the Grand Trunk came there.

Senator LOUGHEED.—What position to you take with reference to those streets?

Mr. GEARY.—That is closed. That is decided. We asked for a reduction of the rent to us, but we were ordered to pay one-third, and we are paying it as cheerfully as we can. But Parkdale is rather a good illustration. It is not produced by the railway at all. There is a division of the city that there is no manufacturing in it whatever. There is no spur except at the exhibition grounds, which runs off the railway, and passing of a railway rather militates against a residential district than in favour of it.

Senator LOUGHEED.—But the railway was there long before the subdivision was laid out.

Mr. GEARY.—Many of those streets were laid out long before the railway. Dufferin street was there for over one hundred years.

Senator THOMPSON.—But no one lived on it much.

Senator LOUGHEED.—Probably a concession line.

Mr. GEARY.—Yes, a great many of them were laid out through there. The city of Toronto really existed out to the west; the fort was out in that direction, and there was a good deal of a residential character attached to that district very early in the history of it. I have not the history of those streets at my fingers' end. But if it is of any interest to the Committee I could readily get it.

Senator POWER.—Mr. Geary has not prepared any written amendment. Perhaps he would state the substance of the amendment he wishes to be made, and where it is to be put.

Senator LOUGHEED.—That would involve a clear-cut classification of the different classes of streets.

Mr. GEARY.—It might.

Senator LOUGHEED.—There is a street anterior to the railway, and one opened up subsequent to the railway, and the streets opened up manifestly by reason of the railway. That is to say the public have taken advantage of the railway, have laid out subdivisions on either side of the railway.

Mr. GEARY.—There might be such a case.

Senator LOUGHEED.—Principals will differentiate as to the class or character of the street. The streets in all the cities are the results of transportation.

Mr. GEARY.—I would say in answer to the question asked by Senator Power that this is not a matter affecting the city of Toronto only, and I do not think we should take the responsibility of suggesting the words of an amendment.

Senator POWER.—I asked for the substance of it.

Mr. GEARY.—The amendment that I would propose to this section in substance is that where, in the opinion of the Railway Commission, a separation of grade is advisable, then the cost of separation should be at the expense of the railway company. That is what I ask.

Senator POWER.—But you do not expect to get it.

Mr. GEARY.—I have no expectations one way or the other. I am putting it to the committee that I think it would be reasonable. I think it is only fair to say that it has been claimed that there is a differentiation to be made between senior and junior crossings.

Senator WATSON.—He would leave that to the Railway Commission.

Mr. GEARY.—That is a mathematical certainty. There is no question of opinion about it. The proposal I have made is the proposal of the municipalities, that were, in the opinion of the Railway Board, separation is advisable, it should be at the expense of the railway company. That is to carry the principle of the Act of 1909 further back.

Senator LOUGHEED.—That does not assist the committee very much. It lays down one particular principle that does not permit of any consideration being given to the rights of the railway. You ask us to simply consider the wishes of the municipality, irrespective of the interests of the railway.

Mr. GEARY.—Except that they would have the opportunity of saying the time had not come for their separating the grades in any particular place.

Mr. THOMPSON.—And the probability is that the municipalities would put forth a very strong argument that the time had come, as they would not have to pay for it. They would want the separation because there would be no taxation or assessment on them.

Mr. GEARY.—It is hard to imagine any real reason why a railway company should not pay, if they are buying a right-of-way, for the cost of the right-of-way in proper shape as regards the rights of the municipality. Some of the level crossings through small towns are particularly bad. After they have had the use of the level crossing for a time they should be able to pay for the separation of the grade.

Senator WATSON.—Perhaps they have not had enough profits on the level track to pay for making the elevation.

Mr. GEARY.—In England the time came when the grades were separated all over the land.

Senator THOMPSON.—There seems to be a feeling in the country that the railway is an intruder, but they have come there and added to the wealth of the district. People seem to forget that and to treat them as though they were simply intruding on the property of the public. I think there is an equity on both sides. That is a large question, and there should be an arbitration on those matters between the municipalities and the railways by just such a Board as the Railway Commission. If their equities are to be considered, I cannot understand why the municipalities would not feel that their interests were safeguarded by such a Board.

Senator McSWEENEY.—Who paid for the elevation of the tracks in Great Britain?

Mr. GEARY.—I understand the companies had paid for the whole thing in Great Britain. They did the same as we did. In any new country a railway comes in and gets the reasonable advantage of the right-of-way and nobody would say that a railway should run along a public street, but they did, and they were assisted in every possible way. The time has come when that state of affairs should cease, just as the time came in Great Britain.

Mr. ARMSTRONG, M.P. (Chairman).—Do you think the Railway Commission has been unfair?

Mr. GEARY.—I do not say they are unfair at any time, but I think they felt themselves bound by antiquated views. I think if it were made clear what the intention was to impose this obligation on the railway company the Commission would be bound to do what was the proper and modern thing.

Senator LOUGHEED.—So that the Committee may know your views fully, take an illustration such as this; where a railway has been constructed, and a townsite is laid out on either side of that road; manifestly it had been laid out on account of the probability of building up that particular locality, and streets are bought, opening each side of the right-of-way, and the time comes to project those streets through there and give a crossing. The policy of Parliament is against level crossings, consequently the Railway Board would make an order that there should be a crossing, either a subway or an overhead crossing. In a case of that kind what would be the view of the municipality?

Mr. GEARY.—Speaking for myself, I would start at the time the railroad came there; it came there with facilities for a level crossing, because there must have existed some level crossings. Take the concession line, whatever it may be.

Senator LOUGHEED.—Let us eliminate the concession line, because we will assume that is senior to the railway, but deal with those streets which have been laid off between the two concession lines.

Mr. GEARY.—In order to get at what I am going to say, I have to introduce the pre-existing rights. They had the facilities that you have explained and level crossings over what roads there are. I will admit for a moment that they have built a town or given birth to a town. The time comes when the balance of advantage has changed, that instead of the railroad being apparently much greater in value to the town, the town has become very valuable to the railroad. It has become a big centre. You will not say that the railroad should be allowed now to cross on the level. It is a case of being obliged to lift the rail at the expense of the railway companies. Surrounding it, and on the line are some streets that are junior. The expense of changing the elevation of those streets would be very little. It would be a natural consequence. You could not have bumps on your line where you crossed existing roads. The time has come when the railways should pay the cost of it.

Senator WATSON.—In the case of where the owner of property would willingly pay the cost of the crossing—

Mr. GEARY.—With regard to the owner of property, you cannot take them as indicative of the welfare of the community.

Senator WATSON.—If the owner said I will pay the total cost of the crossing for real estate speculation, do you think it would be right that the railway should have to pay the cost of the construction of the crossing?

Mr. GEARY.—That is where the judgment of the Dominion Board should be exercised as to whether or not there should be a crossing.

Senator WATSON.—I am talking of the question of paying the expense.

Mr. GEARY.—If they thought it was a real estate speculation on the part of one man, that is not a public matter.

Senator THOMPSON.—But if a man laid out a subdivision, and it was sold to people, and they made their homes there, as a result of his enterprise, and they would have to get across the railway to get into the new subdivision. That is a speculative proposition of the man who owned the real estate, and they want a crossing. People have gone there and lived there; would you not think there was any equity in the

man who made that property part of the city or municipality, and the railway got the benefit of it?

Mr. GEARY.—No. If the time has come when the interest of the public demand that the level crossing should be done away with at that point, or any other point, it should be at the cost of the people who are properly conducting their enterprise.

Senator THOMPSON.—A few minutes ago you conceded that cities had derived the advantage of being developed by the railways, and then you spoke of the city as conferring more advantage on the railway than the railway on the city. Could any city in the world get along without railways? Your development would not continue without the railways. Your manufactures could not go on. It is as essential to the cities that the railways should be built as it is that the cities should exist. Without the railways the grass would grow on the streets.

Mr. GEARY.—The railway has become a necessity, but it is a profit-making enterprise and should pay its way.

Senator THOMPSON.—We are putting up \$47,000,000 this session to assist railways.

Mr. GEARY.—Through subsidies and one way or another the municipalities have contributed largely to the construction of the railway. You might multiply instances after instances to show that fact, but the broad principle remains that if in your view a community has reached a settled condition as in Great Britain and other settled countries, the time has come when the Railway Board should be given power to deal with these crossings, coupled with a restriction as to imposing the cost of the work.

Senator POWER.—Are you through with that particular part of your statement?

Mr. GEARY.—I fancy further representations will be made. On receipt of your notice I wired to Winnipeg and wrote stating what we were going to do. I wired to Edmonton in the same way, and have not had a reply to neither. The City of Windsor, I suppose, will also want to make representations.

Senator POWER.—The case suggests itself to me in this way; I am not a railway man or a municipality man, but suppose this case, which is not an uncommon one, that people in a certain section of the country where there is perhaps, only a village, make representations directly to a railway company which is about to build a line through that part of the country, and through their representatives in Parliament urge that the railway company should be induced or compelled to build the line to or through this settlement, and that they are particularly keen to have a railway go here. After a while the railway comes and naturally brings business to the place, and spends a good deal of money there. Your idea is that if after this condition of things has lasted for perhaps four or five years and a town has grown up there, if the council of that town wish to have the level crossings abolished it should be done at the expense of the railway company alone. The railway company do not wish to abolish the crossings, so far as their interests are concerned, and you think because the railway is a profitable undertaking that the change should be made at the sole expense of the railway company. In the first place, looking at the condition of most of our railway companies, I doubt whether they would be considered profitable undertaking. Do you think it is quite fair to put them to that expense after inviting them to come?

Mr. GEARY.—I do not recollect any particular instance where such pressure was brought to bear on a company to go where it did not want to go; but in that case it should be compelled to make its operations safe. There is a marked line of distinction in a great many of the English cases, particularly in reference to highway authority and gas and water companies as to which is the paramount authority over the roadway. It has been said that the gas company or the water company having its pipes under the street is operating the enterprise for private gain. The judgments of the courts have opposed to each other these two kinds of enterprises, one for the public

good and the other for private gain. The public interest is the one which is paramount. I do not urge that as anything new.

The next point I think is covered. Look at sub clause (1) of clause 289. It provides:—

‘For the protection of property and the protection, safety, accommodation and comfort of the public, and of the employees of the company in the running and operating of trains, or the use of engines.’

It is proposed to insert ‘or the use of engines.’ That is one amendment, and also the words, ‘or on or in connection with the railway.’

I advert to that for this purpose: in the larger centres, particularly, we have found that railways come in for their own proper purposes to a residential district, for instance Rosedale, Toronto, Boston Avenue, the one a high-class residential district, the other where the houses are of three or four thousand dollars value and inhabited by people who suffer just as much from the railway noises as people who live in \$20,000 houses. It has been found impossible under the present Act to stop the noise of shunting and escaping steam in the night time. The people do not object to the railway but they do object to unnecessary noises. Perhaps these words being introduced, ‘for the use of engines,’ will cover the case. We presented that to the Minister when he was interviewed, and possibly the draughtsman thought that that is broad enough to cover the case.

Senator YOUNG (Chairman).—You think the comfort of the public should be safeguarded.

Mr. GEARY. Yes, in the use of engines. I suppose the shunting of engines in the night time would be included.

Senator YOUNG.—Take the case of the engine that pulled us from Toronto this morning.

Mr. GEARY. That could be avoided if we could get some regulation preventing a railway company from putting fourteen big sleepers behind one engine. Perhaps the clause might be left for consideration by your legal adviser.

Senator YOUNG (Chairman).—You wish to give the Board power to say whether a shunting engine shall operate there.

Mr. GEARY. They will have to operate there, but we want them to do the shunting at proper hours, and in a proper and noiseless manner.

Senator YOUNG (Chairman).—That is pretty hard to regulate.

Mr. GEARY.—The trouble is due to carelessness more than anything else. I would now ask you to turn to clause 312 of this Bill. It is identical with section 279 of the existing Act. The fault we find there is, not with the five minutes blocking, but with the interval between the blockings of a crossing. You will excuse me if my illustrations are confined to the city of Toronto, because that is the place that I know best. At the foot of Yonge and Bay streets, for instance, there are great crowds of people who have occasion to cross the railways to reach the water front, and often the trains block the crossing for a long time. We do not take serious objection to the blocking of the crossing for five minutes at a time; what we do object to is, that after a train has blocked the crossing for five minutes and moved away, another train comes up and blocks it again. Now, if you provide for a five minutes interval or some other proper interval between the blocking, it would be better.

Senator WATSON.—But you have two or three railways there?

Mr. GEARY.—Yes.

Senator WATSON.—How would you regulate that?

Mr. GEARY.—The gate man could regulate the whole thing. They regulate for the five minutes stop all right.

Senator WATSON.—If a Grand Trunk train blocked the crossing for five minutes and then moved on, and the C.P.R. train moved up and blocked it again, how would he regulate that?

Mr. GEARY.—It could be regulated so as to give the public as much time at all events as you give the railroads.

Senator YOUNG.—Take a long train such as you often see on the tracks at Toronto, it would be impossible for the railway men to comply with the five minutes regulation.

Mr. GEARY.—I do not think they do badly at that. I do not think a train blocks the crossing often more than the five minutes. Occasionally an engineer is summoned for obstructing the crossing longer than five minutes. The trouble is when the next train moves up too soon.

Senator THOMPSON.—They do not break up a long train?

Senator YOUNG (Chairman).—The trouble is that under the present law the trainmen are fined and put up against the condition that they cannot overcome.

Mr. GEARY.—That I do not know anything about.

Senator YOUNG (Chairman).—What you are demanding is that there shall be an interval between trains fixed?

Mr. GEARY.—Yes. Often of late you will see thousands of people held up when they are trying to get to the two o'clock boat on a Saturday afternoon, and a great many people are disappointed because they cannot get across the track.

Senator YOUNG (Chairman).—What remedy do you suggest?

Mr. GEARY.—An interval of five minutes between blockings.

Senator YOUNG (Chairman).—Five minutes block, and five minutes open?

Mr. GEARY.—Yes, I think that is reasonable. That would enable the people to get across the track after the blockings, but when they have to stand there five minutes before a train moves on, and then another train comes up before they can get across, they have good reason to complain.

Senator BOSTOCK.—Does that go on through the whole twenty-four hours?

Mr. GEARY.—It does not occur really at all times.

Senator YOUNG (Chairman).—What Senator Bostock suggests is that while that regulation would be reasonable during certain hours, there are other hours when such a thing would not be necessary—say for instance, after one o'clock in the morning until six o'clock in the morning.

Mr. GEARY.—I am free to say that that principle has been adopted in the protection of crossings; sometimes they are protected by day but not at night.

Senator YOUNG (Chairman).—You would say that between certain hours, say one a.m. to six a.m., it would not be necessary?

Mr. GEARY.—Yes, that is fair. We do not want to be unreasonable. It is a very sore spot in the city of Toronto, and I suppose other municipalities have much the same experience.

Senator WATSON.—You have to judge each particular case on its merits, and you must leave that to the Board.

Senator YOUNG (Chairman).—Would not that be a proper question for the Board to determine on its judgment?

Mr. GEARY.—I do not object to that. The restriction now is only as to blocking a crossing.

Senator LOUGHEED.—You want to prevent the simultaneous blocking of parallel tracks in such a way that it impedes the crossing.

Mr. GEARY.—We want the co-relative condition.

Senator THOMPSON.—He means that he wants every train held up until people get through.

Senator LOUGHEED.—One train may comply with the Act and another train may come along and block the crossing. Notwithstanding there are three or four or more trains on parallel tracks, what is needed is that the public should have free access over the crossing.

Mr. GEARY.—Exactly. We say if the railway companies get five minutes to block the crossing, we should have five minutes for a clear crossing.

Senator YOUNG (Chairman).—The Board might say five or ten minutes.

Mr. GEARY.—Yes, and some hours they might fairly insist on ten minutes.

Senator YOUNG (Chairman).—You think if it is left to the judgment of the Board that it would be fair enough?

Mr. GEARY.—Yes, if you thought it could be worked out that way. The simple way to put it is that no train shall stand longer than five minutes at one time, nor shall any grade crossing be obstructed for five minutes.

Senator THOMPSON.—If that were made a statutory provision there might be times when they could not carry it out.

Mr. GEARY.—I understand that; let the Board exercise the discretion.

Senator YOUNG (Chairman).—What you want is the relief; you do not care where it comes from.

Mr. GEARY.—That is what we want. May I call your attention once more to clause 315 which provides that equal tolls shall be charged and that there shall be no discrimination in rates. Those clauses are copied from the existing Act unchanged. The first prevents discrimination in the matter of rates, passenger rates particularly. Clause 345 allows a discrimination which permits the issuing of mileage excursions or commutation passenger tickets. We find no objection to that permission, but we would like the Railway Board to be given power, and even more than given power, directed that where a special state of circumstances exists there should be no discrimination as between points in the same zone. Let me give by way of illustration the way in which two towns near Toronto, Oakville and Brampton, are treated. Oakville is about twenty miles from Toronto and Brampton is about the same distance from the city. Brampton cannot get commutation rates. This matter has been before the Supreme Court, and the Railway Board, and the late Justice Mabee was inclined to think that some such order as I have suggested should be made, but he found himself unable to do it. Montreal has a zone about it wherein commutation rates obtain. There is a big suburban traffic built up, and the railway companies think it is fair to treat all within that zone alike.

Senator THOMPSON.—Why have they refused it in the case of Brampton?

Mr. GEARY.—I cannot tell. That of course is one of the vagaries of railroading. They have given this privilege to district about Montreal, but not to the towns around Toronto, with some few exceptions. At one time they gave it to Streetsville, and on a short notice they cut it off to the great inconvenience of the people. If the Railway Board could say that a railway zone should be established and a fixed rate made obligatory, it would be satisfactory. Winnipeg, London, Hamilton and other cities want it.

Senator LOUGHEED.—What is the object in railway companies making those rates?

Mr. GEARY.—They do not give any indication. I suppose it is to accommodate the suburban population.

Senator LOUGHEED.—If you establish a zone it means that you establish fixed rates within that zone.

Mr. GEARY.—That is only fair. It is not a case of taking a single journey in a month, but taking thirty to sixty journeys in a month. It is the case of buying by the quantity. It irritates the people of Brampton to think that they are denied what is granted to Oakville. They think they are very unfairly treated.

Senator WATSON.—If a commutation rate is granted the company should not have a right to make a change.

Mr. GEARY.—No, it creates a bad state of affairs.

Senator LOUGHEED.—What are the governing factors in establishing commutation rates, the number of passengers that may be carried to and from suburban points? The volume of passenger traffic between those two points? For instance, what you urge would make it obligatory on a railway to issue commutation tickets to any point within that zone where they might have only one passenger to carry.

Mr. GEARY.—They do not necessarily run any special train for it.

Senator LOUGHEED.—Those commutation tickets entitled the holders to get on and off trains.

Mr. GEARY.—Yes, as far as I know. Of course they are not to be used on limited trains.

Senator LOUGHEED.—You would compel the company to issue commutation tickets to individual passengers living within the zone, though there might be but one passenger to be carried to any particular point.

Mr. GEARY.—Yes, if they get a full thirty days' ticket.

Senator WATSON.—And to carry such passengers on all trains?

Mr. GEARY.—No, there are limited trains that they do not allow people on unless they go to a certain destination at which the train stops.

Senator LOUGHEED.—You asked that it be left to the Board to exercise this discretion?

Mr. GEARY.—They have not that power now.

Senator THOMPSON.—I do not see why they should not have that power.

Senator LOUGHEED.—They can determine the conditions under which such an order should be made. What is the section which assumes to deal with it?

Mr. GEARY.—Section 245.

Mr. ARMSTRONG, M.P., (Chairman).—You are merely asking that the Board be given that power?

Mr. GEARY.—We are asking that equality of treatment should be given throughout the Dominion, as in the neighbourhood of Montreal. Make it obligatory on the road to give commutation rates under certain conditions, and to grant equality of treatment all through.

Senator YOUNG, (Chairman).—You could not have the necessary number of passengers in all places.

Senator THOMPSON.—It should be left to the discretion of the Board.

Mr. GEARY.—If you wish to modify it so as to leave it to the discretion of the Board, we are satisfied that a zone could be easily established.

Senator LOUGHEED.—Do I understand you to say that the Board does not think it has the authority under paragraph (b) to establish such a zone?

Mr. GEARY.—Not to compel it. The language of the clause is:—

‘Nothing in this Act shall be construed to prevent the issuing of mileage, excursion or commutation passenger tickets, etc.’

What we say is that it should be obligatory on the railways to issue commutation tickets so as to give equality to different centres.

Senator BOSTOCK.—In the case of the two towns that you have quoted, Oakville and Brampton, what is the population in each place?

Mr. GEARY.—I should say the population is about the same in each. There is a certain amount of summer business that has grown up at Oakville.

Senator KERR.—One point is on the water.

Mr. GEARY.—Yes. The population of each is about 4,000.

Senator KERR.—Besides there are populous surroundings.

Mr. GEARY.—Yes, people have gone to Oakville and Brampton to live, and the man who goes to Oakville gets cheaper accommodation than the man who goes to Brampton. It is not fair that there should be this discrimination in rates.

Senator YOUNG, (Chairman).—What do you say about that last paragraph of the section?—

‘Provided that the carriage of traffic by the company under this section may, in any particular case, or by general regulation, be extended, restricted, limited or qualified by the Board.’

Mr. GEARY.—That has been in the Act all along. It is a point of interpretation of that clause. The Committee should have the decisions of the Supreme Court before them to understand the difficulties that have arisen.

Senator YOUNG (Chairman).—With that proviso you would be satisfied.

Mr. GEARY.—The Supreme Court case was on the application of the town of Brampton.

Senator LOUGHEED.—It was brought by an individual, was it not?

Mr. GEARY.—Yes, by a Mr. Wegemast, of Brampton. Mr. Church, who has been interested in this matter, tells me that very recently the towns east of Toronto along the Grand Trunk Railway have been taking up the same question. Take out Rosebank, Scarboro and other places, it is being built up very rapidly.

Senator BOSTOCK.—That would be further from Toronto than Oakville or Brampton?

Mr. GEARY.—No, rather nearer—all within a radius of 20 miles. There are other municipalities which feel strongly on this question.

Senator LOUGHEED.—You should prepare what you suggest as amendment to this clause, so that we may have them before us in concrete form.

Mr. GEARY.—I shall be very glad to do so.

Mr. ARMSTRONG (Chairman).—Do you want to have a consensus of opinion of all the municipalities?

Mr. GEARY.—I expected representatives of the union of municipalities would be here to-day. I came here to-day more for the purpose of supporting its application than to make one myself. I did not want to appear officious.

Senator WATSON.—The amendments which you are prepared to submit would be the judgment of the whole of the municipality.

Senator LOUGHEED.—If you submit the amendment the railways can show cause why they should not be adopted.

Mr. GEARY.—The railways have some rights; they have the right to reply at all events.

Mr. ARMSTRONG, M.P. (Chairman).—Can you send the amendment so that it can be included in the evidence you have given to-day?

Mr. GEARY.—I shall do so.

Mr Geary's proposed Amendments:

Section 171. It is suggested that a fifth subsection be added to provide that, before any plan profile and book of reference is sanctioned by the Board, detailed plans of street and highway crossings be filed by the Railway Company. This will give the municipality an opportunity to see exactly how the proposed railway grade affects the streets and highways and will prevent misunderstandings similar to those that have occurred between this City and the Railways in regard to street crossings.

The practice heretofore has been to file and have approved these detailed plans of crossings after the plan, profile or book of reference has been sanctioned. The procedure suggested now would not lengthen the time at all but would settle the whole matter at once.

Section 251, Subsection 3. This provides for a clearance of 22 feet 6 inches between the rail and bridge. I think it is clear that it is the intention that this clearance should be from the base of the rail, and this intention is shown by the Clearance Diagram which can be found on page 159 of the Railway Act Concordance, 2nd Edition. This section should be made more clear as it might be taken now to mean the clearance between the top of rail and bridge.

Section 261. This provides for separation of grades in the case of a railway constructed after 19th May, 1909. Apparently this section does not cover the case of a railway building an additional track after that date upon a roadbed upon which tracks were laid prior to that date. The intention of the section obviously is to prevent danger at level crossings, and the case might easily be supposed where a comparatively insignificant use of a single track on a right of way crossing a highway could be changed into a great danger by the addition of three or four busily employed tracks still crossing the highway at the level.

Section 263. This is the section providing for Government aid for protection in respect of highway crossings by railways by actual construction work. By subsection 5 "crossing" means a structure carried over the highway where the number of tracks does not exceed four. This should not be limited to a crossing of four tracks only. A case in point is that of the viaduct along the waterfront in this City, which viaduct is to contain six tracks. Unless the clause be amended, it would seem that this important work is excluded from the operation of the clause.

Section 268. This provides for the grade of approach of a highway at a railway crossing being not greater than five per cent. Under this section the present practice of the Railway Board would, it seems, be to regard five per cent as a standard grade. This is a heavy imposition on vehicular traffic and especially on paved streets. This grade on the latter class of streets, at all events should in no case be greater than three per cent. The evidence given in the Toronto viaduct case, I submit, establishes this beyond question, and the Railway Board should not be authorized to allow anything greater, or, at all events, that the maximum should be fixed at three per cent

unless the Board otherwise directs. In addition to this, the clause should contain a clause that at all changes of grade vertical curves should be put in.

Section 299. This section deals with equipment of cars. A very important question arises now in regard to height of platform of passenger cars. This in turn controls the question of passenger platforms at stations. It is respectfully submitted that the time has come when high level passenger platforms only should be constructed in cities, and that in future all passenger cars should be so constructed that they could be operated with such high level passenger platform. This provision was long ago, as I understand it, adopted in Great Britain and on the Continent, and the time has come when it should be adopted here.

Senator LOUGHEED.—Any proposal of the kind should be included in the amendments.

Controller CHURCH.—I appear here as representing the City of Toronto and also the Municipal Union. At the annual convention of the Union, held in the City of Saskatoon, last summer, the municipalities were represented from Vancouver to Halifax—all the large cities and towns and provincial governments were represented. The principle enunciated by the corporation of the City of Toronto for the protection of level crossings took the burden off the shoulders of the municipalities. Complaints were general up there about the ordinances passed by the Board and their predecessors, some of the complaints referring back to the old days of the Railway Committee of the Privy Council, where it was held in the case of those municipalities that they had the burden of protecting the crossing whereas it should be on the railways. The municipalities feel that some of the arguments used by the railway companies were not sound. They think that any advantage arising from what has been done by the railways was mutual. They want the money which they have paid per capita in the way of federal, provincial and municipal grants to railways credited to them; they think they have done their fair share of the work. The people of Toronto paid a million dollars to bring the Grand Trunk Railway to the city and a similar amount to the Canadian Pacific Railway, and they feel in view of those grants that they should not ask the municipalities to pay their debts. They question the jurisdiction of this parliament to impose a burden on them for the protection of level crossings. The municipal union is not prepared to draft the clauses. They think that this parliament ought to draft the clauses and see that proper protection is afforded the public along these lines. The municipalities and provincial and federal legislatures are shouldering burdens now that they did not have before Confederation. The Province of Ontario has been carrying a heavy burden for maintaining charitable institutions. The same thing applies to the expense entailed in burying wires. The late Justice Mabee gave a dictum, that if the corporation should bury the wires, the municipalities should help them to do it. The union of municipalities takes strong ground against this. They ask that in the matter of crossings protection they should be accorded such treatment as is given the public in the United States as against the railways. About this nuisance in the yard in the Don valley, and then from ten o'clock at night there is a conducted in the city of Hamilton by the Canon of the Cathedral, and a campaign is being conducted in Toronto against this intolerable nuisance of night-long shunting, whistling and ringing of engines. This complaint is general throughout the country. In many cases after residential districts have been built up the railways come along, and their engines shunt the trains all night long. Men who have to work all day long cannot get rest at night. The conditions are intolerable in Toronto. Up the Don, at Parkdale, Boston Avenue, and Toronto Junction. The suggestion of the municipal union was that the Railway Board should have some jurisdiction to regulate these matters. For example in the case of the Don, the main line of the Canadian Northern is open all day long and few trains go that way. The company collect their freight cars in the yard in the Don valley, and then from ten o'clock at night there is a con-

tinual bedlam from the shunting and moving trains in the Don valley. The railway should have power to regulate this. The people living in that locality have been at the City Hall in hundreds protesting against the intolerable nuisance.

Senator LOUGHEED.—Does not the municipality require it to be done at night?

Controller CHURCH.—What we want to prevent is the noise. Small matters like that should be under the regulation of the Board. The other matter which has been brought up is the issuing of commutation tickets. Every large city in America is required to furnish what is called a suburban service. In the city of Montreal there is a continual stream of trains to and from the suburbs, and it is the case in all large centres. We feel that the Railway Act should require the railway companies where a city is large enough to have the suburban service to supply it. We feel that there should be a clause in the Railway Act to give equality in treatment to all the municipalities in Canada.

Mr. FRANCIS KING.—As representative of the Lake Carriers, against whom so much has been said in the press and elsewhere, and so little in this Committee until the chairman, Mr. Armstrong, spoke this morning, I would ask that if any case is made against us by some of the gentlemen who come before the Committee and give evidence, then on a later opportunity we should present what we have to say in reply.

Senator POWER.—Next session.

Senator YOUNG (Chairman).—No doubt the door will be as wide open next session as it is now.

Senator POWER.—And what is said next session will have more weight, because it will be fresher in the minds of the Committee.

Senator LOUGHEED.—I think you had better let your case stand until next session, Mr. King.

Senator WATSON.—Mr. Armstrong has made a very strong representation.

Mr. ARMSTRONG, M.P. (Chairman).—I would rather be allowed to resign than not represent my position in this regard.

Senator WATSON.—This is to be printed and go before the public; then I think the other gentlemen should have an opportunity of having their statement go with it side by side.

Senator POWER.—If the gentlemen on the other side prepare a succinct statement in writing and submit it at the next session, it will go on the record just as the Chairman's paper is going. (*Statement printed on page 18*).

The Committee adjourned until Thursday next.

SENATE COMMITTEE ROOM No. 8.

OTTAWA, May 28, 1914.

The Special Committee appointed to inquire into Bill (B-2), an Act to consolidate and amend the Railway Act, met at 11 a.m. to-day:—

Senator YOUNG (Chairman): To-day we are going to hear some gentlemen who wish to address us on the clause relating to vessels being brought under the jurisdiction of the Railway Commission.

Mr. J. E. WALSH, Secretary Transportation Department of the Manufacturers' Association, appeared before the Committee and said:—

I do not appear here to-day on behalf of the Manufacturers' Association. There are several reasons for it, and I do not think it is necessary to take up the time of the Committee explaining them. There are present to-day representatives of some of the large manufacturing concerns, not as many as we expected, for the reason, I think, that it has been announced through the press that this Bill would not be proceeded with during this session. I was here last week and had the honour of an interview with the Chairmen, Senator Young and Mr. Armstrong, M.P., and explained some of the objections to the legislation as proposed in the draft Bill, and they stated that we should appear and state them more fully. Some of the interests affected have been communicated with, and I find they have not had time, owing to previous engagements, to come here—not as many as we would like to have. We have here to-day the representatives from the Steel Co. of Canada, and the International Harvester Co. I have also communications from some other interests opposing the legislation.

Senator BOSTOCK: What particular clause?

MR. WALSH: Section 358, providing for bringing water carriers under the control of the Board of Railway Commissioners. I have a communication from the Dominion Sugar Co., regretting their inability to be present, and stating:—

We cannot but think it would be a mistake to have the water carriers under the jurisdiction of the Board. Rail conditions are entirely different, and we have at all times found that competition by water is very keen and favourable rates given, compared with those of rail. We believe there should be competition in every line of business, and should the boats come under the jurisdiction of the Board of Railway Commissioners, competition, so far as any difference in freight rates are concerned, would be at an end. Should it be definitely decided to place the water carriers under the jurisdiction of the Board of Railway Commissioners, we believe there would be no question but that a large tonnage would be diverted to American vessels.

The writer regrets that he will not be in a position to attend the meeting in Ottawa on the 28th, but trust you will have a strong representation. We are heavy shippers, both by rail and water, and we have not come to our conclusions hastily, but we are quite satisfied it would be a grave mistake to place the water carriers under the jurisdiction of the Board.

I am not here representing the Canadian Manufacturers' Association, because we have not had the time we should have had to go into this very important question. It is not merely the consideration of the control of the water carriers. Anyone who has made a study of this particular question must see that our terminals are very largely controlled at the present time by the railway carriers. As a matter of fact the only free port that we have to-day on the Great Lakes is Port Arthur. What I mean by that is this: The only port that is not controlled by the railway companies is Port Arthur. That port is in a different position, by reason of the agreement between the Manitoba Government and the C.N.R. We have evidence of that in the early days of the Merchants' Mutual Steamship Line. That was a line formed a few years ago operating on the St. Lawrence and on the lakes, largely from Montreal, Toronto and Hamilton, and I know had that agreement not existed it would be very questionable whether or not they would be in business to-day.

Senator BÉRIQUE.—What agreement?

MR. WALSH.—The agreement between the Manitoba Government and the Canadian Northern Railway when they took over the Northern Pacific and guaranteed the bonds to the extent of \$20,000,000. I think it was the agreement of 1906, if I remember the date. I think the agreement was discussed recently in the House. The situation is to a large extent the same at the Georgian Bay port.

Senator WATSON.—What guarantee did they give Manitoba, Fort William and Port Arthur, or what benefits were to accrue to them.

Mr. WALSH.—The agreement gave them this benefit: that independent boats have the same right to do business over the Canadian Northern docks at Port Arthur as their own lines, if they put in such lines.

Senator WATSON.—This is the first time I ever heard there were any benefits secured in that deal for Port Arthur and Fort William. The matter was discussed in the west, and I never heard it.

Mr. WALSH.—I have not the Bill before me, but I think the statement is correct, that independent boats can do business over that dock, just the same as boats owned by the C.N.R. In that respect they are in a different position from Fort William, where the Canadian Pacific Railway own practically all the facilities on the lake, because they have recently built large docks and terminals on Mission Island, directly across the river from Fort William.

Mr. ARMSTRONG (Chairman).—Have the independent boats any access to our Government wharf at the different towns and ports along the inland lakes and water?

Mr. WALSH.—I do not understand where they are.

Mr. ARMSTRONG (Chairman).—We are building piers, docks, and so on at Toronto and different points.

Mr. WALSH.—That may be true, and it is true, but I want to say now that any representations that are made here have only been made with respect to west bound traffic package freight. We do not say anything in regard to bulk freight. That is a different class of traffic and requires different accommodation. Package traffic must have docks and divisions, whereas the bulk freight must be absolutely free without any compartments of any kind. We are dealing only with package freight. The package freight, outside of the points on the river such as Montreal, and places such as Toronto and Hamilton, are practically all controlled by the railway carriers. That is a fact, and the result of it is that the railway carrier will not give any of that traffic to the independent boat line. They have their own lines. The C. P. R. have regular steamers sailing four days a week from Fort McNicol. The G. T. R. has a contract and agreement with the Northern Navigation Company.

Mr. SINCLAIR, M.P.—How much of the tonnage is owned by the railway companies operating on the Great Lakes?

Mr. WALSH.—The Canadian Pacific has four sailings a week out of Port McNicol, absolutely owned by the Grand Trunk Railway Company. The Grand Trunk Railway Company have an agreement with the Northern Navigation Company which company handle all their package freight from Sarnia. Those lines are under control of the Board of Railway Commissioners.

SENATOR WATSON.—What percentage of entire tonnage do they take?

Mr. WALSH.—I cannot give you that today.

Mr. NESBITT, M.P.—They only operate from Sarnia to the head of the lakes.

Mr. WALSH.—That is what I am speaking of. We are only dealing with west bound traffic. Another illustration of the control of the terminals is at Montreal. There is no connection—I think that statement is correct—today for package freights between the river carriers and the ocean carriers. In other words package freight brought to Montreal by the river boats has to be carted to the dock. On the other hand, as everybody knows, Montreal is being developed as a very large port, and the railway carriers have every facility for doing business. I therefore think that that feature should be looked into before this legislation is enacted.

Then there is another feature about it, the competition in the United States. There is no such control on the Great Lakes. For some time a congressional committee has made an investigation and has issued a very long report. It is true that

they have recommended the port-to-port carriers should be brought under the control of the Interstate Commerce Commission, but no action has been taken.

SENATOR YOUNG (Chairman).—Both bulk and package?

Mr. WALSH.—Both bulk and package. They found in their investigation that so far as the bulk freight movement is concerned the tendency has been downwards in the rates in the past 20 years; there is no question of doubt about that. Their facilities for doing business are improving all the time; their methods of loading and unloading are being improved, and as a result the shippers of bulk freight get the advantage. Another thing is that the shipper of bulk freight as a rule controls the rate. There are exceptions when there is a very large rush of freight, but as a rule the shipper of bulk freight and shipper of grain dictate the rate.

Mr. ARMSTRONG, M.P. (Chairman).—Not for package freight?

Mr. WALSH.—No, for bulk freight; I am speaking of bulk freight. If we refer to the statistics of our own canal, the Soo, we find just what we are up against or would be up against if the Canadian boats were put under control, and the American carriers were allowed to do as they pleased. In 1912 the total Canadian tonnage through the Canadian Sault Canal was 4,000,362 tons; the United States cargo 35,579,293 tons; that is through our own canal. We shipped from the United States to Canadian ports that year, westbound 1,326,157 tons, and eastbound 473,944 tons. From Canadian to United States the westbound movement was 16,883 tons and the eastbound 855,777 tons. That was chiefly grain. To Canadian ports, westbound 770,976 tons, eastbound 2,162,521 tons. You can see that from the United States to Canadian ports the westbound was 1,326,157 tons as against 770,976 tons through Canadian ports. During the same year, from the United States to United States ports, there was moved through our canal, westbound 1,807,181 tons, eastbound 32,252,916 tons. The tonnage of Canadian vessels, up and down, for that year was 3,292,229 tons, and of United States vessels 22,536,915 tons. In the same year the proportion of strictly Canadian traffic which passed through the Canal at the Soo was 19.3 per cent and the traffic of that Canal represented 83 per cent of the total for the whole Dominion. These figures are taken from the 1912 report of the Department of Marine. Of the total freight carried by the United States carriers, 87 per cent was iron ore; in other words, out of the 35,579,293 tons, 31,141,063 was made up of iron ore. That same year there were 10,724,498 bushels of Canadian wheat shipped in bond to Duluth. The distribution of Canadian wheat which passed through the Canadian and the United States 'Soo' canals in 1912 was as follows:—From Fort William to Montreal 13,726,166 bushels; to Georgian Bay 17,648,334 bushels; other Canadian ports 19,676,300 bushels; from Buffalo to Fort William 25,045,800; Duluth to Montreal, 283,500; Duluth to Buffalo, 5,714,637; to Georgian Bay, 1,418,769; to other Canadian ports 230,000, making a total of 83,743,034 bushels of wheat along, showing how it moved from Fort William, and practically the vessels employed. Through the United States canal the distribution of Canadian wheat was as follows: Fort William to Montreal, 1,202,933; to Georgian Bay, 1,852,834; to other Canadian ports, 782,600; and to Buffalo, 19,182,466. It will be observed that Buffalo got 40.32 per cent of the tonnage from Fort William and 5.2 per cent from Duluth.

Senator BOWELL: That was not all Canadian vessels?

Mr. WALSH: No, but all Canadian wheat. My point is this, as this report shows, the preponderance of tonnage consisted of iron ore and coal westbound. Now, the American vessels do not commence to engage in the ore or coal trade until after the 15th May; they cannot handle the ore before that time because it is usually frozen and cannot be taken out. The season for this traffic closes along about the 1st of November, when these boats are immediately turned into the grain trade, and they are in the grain trade in the spring prior to the opening of the ore and coal traffic, and afterwards in the fall; and they go into Port Arthur and Fort William and make such rates

as will attract the traffic from that port to Buffalo. There is no control over those boats; they can do as they please. I do not know exactly what position our carriers would be in if they will have to file tariffs with the Board of Railway Commissioners, for it is a well known fact that rates change two or three or four times a day. We can give you evidence of that, even on westbound tonnage.

Mr. J. H. SINCLAIR, M.P.: Does the law of the United States give you any control over lake traffic?

Mr. WALSH: Not over port-to-port traffic, only in respect of boats they have the same control as we have here at the present time.

Mr. ARMSTRONG, M.P. (Chairman): They have under their consideration such changes as we are now considering?

Mr. WALSH: They have them under consideration.

Senator BEIQUE: Before you leave that point, it seems to me it would be interesting to know approximately the quantity of wheat which is carried by those American vessels before the opening of navigation and at the end.

Mr. WALSH.—I shall be very glad indeed to furnish that information if I can possibly get it.

Senator YOUNG (Chairman).—You can get it possibly during the recess.

Senator WATSON.—Do you represent the shippers?

Mr. WALSH.—I am representing some of the shippers.

Mr. ARMSTRONG (Chairman).—You are not representing the small manufacturers; you are merely representing the large manufacturers?

Mr. WALSH.—What I am trying to point out is this: that while it is very desirable that all carriers should be under control there ought to be a thorough investigation of the conditions before passing the legislation. That is what I am here to advocate.

Mr. CARROLL, M.P.—Are you opposed to the legislation?

Mr. WALSH.—Yes, as printed.

Senator THOMPSON.—Does it not appear a most extraordinary thing that the shippers are as anxious to have free trade in rates as those who own the vessels? I mean the people who own the vessels are opposed to this legislation. The shippers come in and they are equally opposed to it, because they say it will do them damage, and you are opposed to it.

Mr. WALSH.—Because it will take away the right to charter.

Mr. NESBITT, M.P.—It will take away their right to do the best they can.

Mr. WALSH.—We want those conditions as long as they remain the same in the United States.

Senator BÉIQUE.—If they were put on the same footing in the United States you would have no objections?

Mr. WALSH.—It would be an entirely different thing.

Senator BOWELL.—You mean that under this proposed legislation the Canadian trade would be subject to certain fixed rates, while the United States ships could take lower rates and divert traffic to Buffalo.

Senator POWER.—That is one of the objections, I do not know that it is the only one.

Mr. WALSH.—The right to contract or to meet the competition of our American friends would be taken away from us.

Senator WATSON.—Do you think it would be well to have a maximum rate?

Mr. WALSH.—I am afraid there would never be a minimum, from my experience in dealing with railways.

Mr. NESBITT, M.P.—You think the boats are built on the same plan as the railways?

Mr. WALSH.—I can conceive this, that if this Bill goes through as it is now, competition on the water would disappear.

Senator BÉLLET.—Following the suggestion of Senator Watson, if the Railway Board was given the power of fixing the maximum rate, it seems to me it would remove your objection, because then the vessels would be able to compete with the American vessels.

Mr. WALSH.—Technically it would, but in practice it would not, because the mere fixing of those tariffs would stop the making of lower rates. What I mean to say is, supposing a carrier files a tariff reducing the rate 30 or 40 cents a ton to meet competition, it would remain. To give an illustration, there were 18,000 barrels of cement wanted for a certain contract. This cement was to be used at a point on the lakes not very far away from Alpena, Mich. Now it was a question of getting a rate to secure that business for the Canadian mill. Now if those carriers were under the control of the Railway Commission they would hesitate to publish that rate, because it would mean that all the other rates would have to come down to that.

Senator THOMPSON.—If a maximum tariff alone were fixed, you would not have to publish your reduction in the rate. You would go on as you are doing now.

Mr. WALSH.—We would like to leave that point as to fixing the maximum rate open. With our water rates open, whatever maximum might be fixed would be simply reached.

Mr. FOWLER, M.P.: What does he make out of the word 'So far as deemed practicable'? It does not necessarily mean that the Board shall fix a rate in all cases.

Mr. WALSH.—Take the attitude of the Board of Railway Commissioners, and even of the Interstate Commerce Commission, on this very question—not saying that the Board would not deal with this matter fairly, because the Board has to see that the carriers get proper returns. The Board's duty would be to see that the rates were reasonable, and that these rates were related to the all-rail rates, and that there was a proper differential. I do not suppose the Board would go any further—the Board does not go any further to-day. It does not require the railways to carry freight at a special rate.

Mr. FOWLER, M.P.: I would take it that if the Board does not wish to interfere, it need not.

Mr. WALSH.—They would have the power. I will give an instance of how this thing has been viewed by the Board: we have every confidence in the Board to deal with this matter, and what I am about to say is not offered as criticism in any respect. In 1908 the Algoma Central applied to the Board for an order directing the Grand Trunk railway to publish through rates by Sarnia to Sault Ste. Marie and ports of call on Lake Huron and Georgian Bay. This application was refused upon the following grounds: first, that the Algoma Central did not prove that there was a public interest involved, and second that the existing rate arrangement was unreasonable. There is the position of the Board, and it could not take any other position. Your existing rates and tariffs are considered reasonable because they have never been attacked by anybody, and they did not think it necessary to open up another route. The Algoma Central had one or two boats operating from Sarnia to Michipicoten and other points on Lake Huron and Georgian bay, the inside channel, and they wanted to get a

certain amount of traffic from interior points in Ontario for these points of call, but the Board did not think that they should get it—that there should be two tariffs, divisions in other words. Any traffic they got, they should have to pay the full local rate.

Mr. CARROLL, M.P.: You think that to put shipping under the Board of Railway Commissioners would limit competition?

Mr. WALSH: I think so.

Mr. CARROLL, M.P.: What has been the effect of fixing rates on railways so far as competition is concerned?

Mr. WALSH: These rates are all fixed and have been fixed by the railways themselves. There is a certain differential, which is a matter of agreement between the water and rail carriers. For instance, the present all-rail rate from Toronto or Montreal to Port Arthur is \$1.05 first class. The lake and rail rate from Montreal to Port Arthur is 60 cents; from Toronto, 50 cents. The all-water rate from Montreal is 55 cents, and from Toronto, 45 cents, on first class goods. There is only a difference of 5 cents. When you come to fifth class, from which the bulk of the freight package moves—hardware and that sort of thing—there is a difference of only two cents.

Mr. CARROLL, M.P.: Is that the extent of the elasticity in rate?

Mr. WALSH: There is a difference of two cents between the all-water and the lake-and-rail—two cents per hundred in favour of the water route, so the differential is not attractive between Toronto and Port Arthur.

Senator BEQUE: Between Montreal and Port Arthur is it two cents, too?

Mr. WALSH: Two cents, I understand, is the differential.

Senator THOMPSON: You would hardly suggest removing the control of the Board over the railways and leaving it to competition? You think that the control of the railways is a good thing?

Mr. WALSH: I think it is a good thing, because the conditions are the same on both sides of the line.

Senator THOMPSON: Competition would not take care of you in dealing with the railways the same as in dealing with the water carriers?

Mr. WALSH: If there was legislation that would give the water carriers the right to do business at all ports and with the differentials that there was sufficient spread between the all-water rates and the lake-and-rail rates to protect business, it would be all right.

Mr. CARROLL, M.P.: Is it not possible to exercise control and still have competition, as the railways are able to compete under the tariffs filed?

Mr. WALSH: The conditions applying to railways are exactly the same on both sides of the line; the control is the same on both sides at the present time. The Interstate Commerce Commission has exactly the same control as our Board with respect to all-rail rates and lake-and-rail rates.

Senator BOLDUC: If the Board has acted fairly in the past, as you admit they have, why should you be opposed to being placed under their control?

Mr. WALSH: This is not any reflection on the Board of Railway Commissioners in any shape or form. We have every confidence in the Board. They have done good work, and are doing good work, but the fact of having to file tariffs with the Board takes away the right to charter, the right to contract, and I believe will destroy transportation by water to a large extent. I was going to refer to a message from the President of the United States transmitting a report of the Inland Waterways Commission in 1909, dealing with this question of transportation by water. On page 11 it says:—

‘While the railways of mainland United States have been notable efficient in extending and promoting the production and commerce of the country, it is clear

that at seasons recurring with increasing frequency they are unable to keep pace with production or to meet the requirements of transportation.

While navigation of the inland waterways declined with the increase in rail transportation during the later decades of the past century, it has become clear that the time is at hand for restoring and developing such inland navigation and water transportation as upon expert examination may appear to confer a benefit commensurate with the cost, to be utilized both independently and as a necessary adjunct to rail transportation.'

Mr. CARROLL, M.P.—What does the gentlemen think of giving American vessels the same right to trade between our ports as Canadian vessels? Would that not settle the question for all time?

Mr. WALSH.—I would hardly dare to reply to that question.

Senator BOWELL—You mean to make the coasting trade free?

Mr. CARROLL, M.P.—Yes.

Mr. ARMSTRONG, M.P. (Chairman).—Have you any representation from the small manufacturers in opposition to this clause?

Mr. WALSH.—I have not. I offered this suggestion with all due respect, and it is a very important one and should be inquired into. We think it of sufficient importance to justify the committee in taking evidence as to the condition.

Mr. ARMSTRONG, M.P. (Chairman).—What portion of the clause do you seriously object to?

Mr. WALSH.—Commencing with, 'The provisions of this Act with respect to tolls, tariffs, and joint tariffs, so far as is deemed applicable by the Board, extend and apply to the traffic carried by any railway company by sea or by inland water between any ports or places in Canada, &c.'

Mr. FOWLER.—You are opposed to the control of traffic by private individuals?

Mr. WALSH.—I do not know that private individuals would come under the Act.

Mr. FOWLER, M.P.—Companies?

Mr. WALSH.—Yes.

Mr. FOWLER, M.P.—How do the rates charged by railway companies owning ships compare with the rates charged by other companies?

Mr. WALSH.—These rates that I have just read are the published rates under which merchandise move.

Mr. FOWLER, M.P.—I presume these ships do not confine themselves to through traffic?

Mr. WALSH.—There is very little local traffic except between Montreal, Toronto and Hamilton, and they have their rates. There is very little traffic originating at any other port. The bulk of the west-bound traffic originates at Ontario points, such as Brantford, London, and a great deal of it from Toronto. Take all the manufacturing points in Ontario: a large percentage of that traffic moves by lake and rail now from the head of the lakes.

Mr. CARROLL, M.P.—Reverting to that question of charter, I asked one gentleman who had something to do with the Bill the other day how it would affect charter parties, chartering vessels by the year and by the month, and his answer did not seem to satisfy me very well. Is it your opinion that it would prohibit chartering?

Mr. WALSH.—Well, I do not know. That is a very vital thing. I do not know whether it would not.

Mr. CARROLL, M.P.—I think it would be important to consider that question.

Mr. WALSH.—We would be in this position: That there are to-day concerns which have their own vessels carrying cargoes to the head of the lakes to their own

docks and warehouses. If they are not going to come under the Act how can their competitors do this?

Senator BOSTOCK.—Are they carrying bulk freight?

Mr. WALSH.—Carrying iron and steel.

Mr. CARROLL, M.P.—The same thing refers to the railway and steel industries of the Maritime Provinces.

Mr. WALSH.—The same thing. Take the movement of coal to Montreal—

Mr. CARROLL, M.P.—They own the docks at Montreal.

Mr. WALSH.—And take the cement. The clause in this Bill reads:—

‘And the provisions of this Act in respect of tolls, charges and joint tariffs shall, so far as being applicable by the board extend and apply to all freight traffic carried by any carrier by water from any port or place in Canada to any other port or place in Canada.’

Senator BEIQUE.—There is no definition as to what is a carrier.

Mr. WALSH.—What is a carrier by water?

Senator BEIQUE.—It may be an individual as well as a company.

Mr. WALSH.—Would that come under this Act? Is he carrying for hire? Is it hiring a vessel to transport his own goods? Supposing he buys the vessel?

Senator BEIQUE.—A very important point has been brought to our attention. There are on the lakes wharf facilities owned by the Government and wharf facilities owned by the railway companies and controlled by them, and wharf facilities owned by individuals. I think it would be very important for us to know approximately the quantity of each.

Senator YOUNG (Chairman).—And where?

Senator BEIQUE.—Could you supply the committee at a later date with information on the point.

Mr. WALSH.—We will be glad to file a brief later on.

Senator BEIQUE.—You know the point.

Mr. WALSH.—Yes, that information can be easily obtained.

Senator YOUNG (Chairman).—I take it that the committee invites you to file a brief during recess.

Mr. ARMSTRONG, M.P. (Chairman).—The Committee will understand that Mr. Walsh does not pretend to represent the Manufacturers' Association. He is merely here to place a few facts before the committee so that they will have them under consideration.

Mr. W. R. DUNN, representing the International Harvester Company, appeared before the committee and said: I come here as an individual.

Senator YOUNG (Chairman).—Your headquarters are where?

Mr. DUNN.—At Hamilton. Mr. Walsh has very clearly and generally outlined just why we are here, and the only object I have in mind is simply to show how it would possibly affect an individual shipper if this proposed clause 35S should become effective. I am only talking from the westbound standpoint, I do not know whether the eastbound rates should be controlled or not, but I do know a good deal about the west bound traffic. We possibly are the largest individual west bound shippers in the Dominion of Canada, and starting in eight years ago we have encouraged and developed a very strong line of carriers which we are using daily, using them now, if they have any business in the west. These carriers have been very prosperous. We started in with the Merchants Mutual Line. They have developed into a carrying line of seventy vessels, which we have the advantage of using intermittently as they come along.

Mr. ARMSTRONG, M.P. (Chairman).—Connected with the railway?

Mr. DUNN.—No, no connection, absolutely independent both, and when this regulation, clause 358 came to our notice, we could hardly conceive it. I had no agreement to come here. I simply came down to get some information and to find out what the legislation really meant, and I would ask whether it was the intention to cover the ship or the steamboat, or whether it is at the instigation of the railroad, or who is behind the proposed legislation? I am sure I cannot figure it out and I cannot say what the effect of clause 358 would be with reference to rail and boat if it did become effective. It would look as though it were intended to drive us off the water completely.

Mr. ARMSTRONG M.P. (Chairman).—In what way?

Mr. DUNN.—In this way: we have spent about a hundred thousand dollars at Hamilton in docks and about a quarter of a million dollars at Fort William in warehouses and terminals. We manufactured at Hamilton and we moved our warehouses to Fort William and ship to Fort William. That interchange of products is intermittent during the season of navigation. We did that for a purpose, and if there are any western members on this committee I wish they would consider that this is not an idle talk at all. The only thing I can say at the present time is that we will simply have to do away with our terminals if it is under regulation, because we cannot put in our boats; that is a foregone conclusion, and subsequently our docks at this end and our warehouse at the other end are obsolete so far as the westbound traffic is concerned.

Mr. NESBITT, M.P.—Would that not be taking it for granted the boat rate would be the same as the rail rate?

Mr. DUNN.—It reads in this way: absolute control of these conditions.

Mr. SINCLAIR, M.P.—That would not follow because the boat rates will always be cheaper than the rail rates.

Mr. DUNN.—It would hardly be attractive, and I was going to show you why, to my mind. We have the advantage of going out and chartering or taking under a special charter: that is using the various carriers that pass our door. Our shipments are from two cars to one hundred. To-morrow we are sending up a hundred cars on one carrier.

Mr. SINCLAIR, M.P.—You have no complaint about being charged high rates by the shipowners.

Mr. DUNN.—Absolutely not. We make the business attractive to us, and it certainly is very attractive to them, because it has built up their lines. Our business has built up the transportation business on the water to-day.

Senator LOUGHEED.—Canadian boats?

Mr. DUNN.—All Canadian boats.

Senator BÉLIQUE.—What tonnage is represented by these boats?

Mr. DUNN.—Our tonnage last year was 20,000 tons.

Senator YOUNG.—Your boat tonnage?

Mr. DUNN.—The grand boat tonnage. We just utilize the twenty boats as they pass our door, as they have passed for twenty-five years. We fill up the cargo and give it to them.

Senator TAYLOR.—At a price?

Mr. DUNN.—Yes.

Senator TAYLOR.—Which you dictate yourself?

Mr. DUNN.—Which they dictate, and it is attractive all the way through.

Mr. ARMSTRONG, M.P. (Chairman).—Your price will be very different to the small shipper?

Mr. DUNN.—In volume, yes. No preference as a rule to the shipper but his service, no doubt. We have to make a fair price to make the whole condition attractive, or else we will not have the service, and the boats are necessary for the service. We would have to go into the classification business ourselves with one line of boats, and it cannot be done.

Senator BOWELL.—You speak of railway cars?

Senator YOUNG (Chairman).—He measures the freight he puts into the boat by the carload.

Mr. DUNN.—It moves by car from the head of the lakes.

Senator THOMPSON.—Would you not think the Railway Commission would have thought along the lines you are expressing here to-day in respect of conditions, and tried to continue those, so that the advantage of transportation and the people's benefit would be largely their object? You would not think they would step in and disturb the conditions of transportation.

Mr. DUNN.—The danger is so great, and the conditions themselves at the present time demonstrate themselves as being absolutely perfect from that standpoint because they are developing a splendid transportation system by water to-day, and there is no place in the world in which the water rates and conditions are getting better every day.

Senator TAYLOR.—Do you not find this condition, that if a boat can get a full load at Montreal it will not take yours?

Mr. DUNN.—She won't take our's.

Senator TAYLOR.—But she will if she has a half load at Brockville and Gananoque and is going on and has space for 15 or 20 cars?

Mr. DUNN.—We will fill her up. To be real candid, we have a price which has never been changed for five years. It was set fairly on both sides, and it was set under very hard conditions when we only had three or four carriers and we had to make it attractive. We have never gone back on our price, and they have never gone back on their service.

Mr. NESBITT, M.P.—It is agreeable to the carriers, any way.

Mr. DUNN.—It is very agreeable. They are paying dividends on it.

Mr. NESBITT, M.P.—If this legislation went into force, according to the latter part of this clause it does not necessarily follow that the Railway Board shall fix a certain rate, but you take it for granted that the shipper who does not get your rate will apply to the Railway Board to have that rate increased so that he may get some of it or make a profit on it?

Senator YOUNG (Chairman).—He might apply to the Board to have a published tariff.

Mr. DUNN.—Anybody who has been in the transportation business knows this, that between the rail and water carrier the railroads do regulate the rates, just as Mr. Walsh has shown you. They regulate the differential. I know that this present line made every possible effort, at big classification meetings and so on, to get a differential of three cents on the fifth class, but they did not get it. They gave them two, and they told them they would be very content with two and they are bound to it because they have to hold it, and the long arm of the railroad regulates it all; and that is just exactly what I can see here. The point I was trying to make on you, the western members of the committee being here, was that since we have developed this water transportation condition, that is, from factory to warehouse at the other end, that we very promptly gave any benefits that did accrue through that method of transportation to the consumer in the west, because we very promptly then began to sell our machines f.o.b. Fort William, and we never did it before. The consequence would be that if we are under regulation, if we have to cut out this service

and go back to the rail handling, the only logical result would be that we would have to sell our machines f.o.b. factory at Hamilton and not help the fellow at the other end. Taking our warehouse expenses and the supervision we have to put up there, that we have been able to take away from Hamilton—and we do carry a big supervising force at Fort William—taking that, and having to transplant that again back here, it carries the same without expenses right back to the point of origin.

Mr. NESBITT, M.P.—Could you tell us roughly the advantage of the f.o.b. price at Fort William?

Mr. DUNN.—I would say, roughly, \$5 per harvester.

Senator BOSTOCK.—That is the difference between the price at the works and at Fort William?

Mr. DUNN.—That is the benefit we give to the western consumer and we have been able to do that. The business has arrived at this point—through legislation, we all admit—that the possible margin of production as between the United States and Canada on agricultural implements, as far as we are concerned, is getting very, very narrow all the time. We have boat lines running from Chicago that never will be regulated—that is past and gone; they will always be free down there, as far as that goes, and I don't know whether it would not change our whole attitude from the manufacturing standpoint, even that matter of transportation alone, along with other legislation that has gone through, that has carried our margin down so very, very close that it is just a question whether the attractiveness for production for our west is in South Chicago or in Hamilton. I know very well that they would very promptly begin to rob us of this 30,000 machines and that 30,000 machines, figuring the transportation and other conditions in 'we will take care of this;' 'we will send them up to the head of the lakes'—and up they would go, and very possibly into the same old warehouse, too.

Senator LOUGHEED.—Of course you can ship from Chicago to the head of the lakes without any violation of the coasting laws.

Mr. DUNN.—Yes, we do that with all our twine. In addition to our machines up there, of course, we have millions and millions, in fact, of our twine which passes by boat from Chicago up through Fort William and Port Arthur and to the G.T.P.: we distribute that all over the west.

Senator LOUGHEED.—Then if the pendulum swung the other way you would ship direct from Chicago to Fort William instead of from Hamilton to Fort William?

Mr. DUNN.—Well, it would be good business.

Senator YOUNG (Chairman).—It would be a question of dollars and cents?

Mr. DUNN.—Yes; it would be good business, that is all; it is a matter of red figures.

Senator BOWELL.—There is no trouble in shipping from Hamilton via Chicago to Fort William by American vessels if you like?

Mr. DUNN.—No, there is nothing at all to prevent that.

Senator YOUNG (Chairman).—To ship from Halifax to Fort William by an American vessel?

Mr. DUNN.—By Chicago. In fact we have some of those present carriers, numbers of them, during the whole season running to Chicago and carry our twine back to Fort William.

Senator LOUGHEED.—What would be the difference in the cost of production between Chicago and Hamilton entirely irrespective of the cost of transportation, say in your factory in Chicago and in your factory in Hamilton. What would be the percentage of difference?

Mr. DUNN.—It is several dollars a machine at the present time in favour of Chicago. Of course, they have volume where we have variety.

Senator LOUGHEED.—Then I suppose your labour market would also be a factor?

Mr. DUNN.—It is decidedly a factor.

Senator YOUNG (Chairman).—Is it cheaper here in Hamilton than in Chicago?

Mr. DUNN.—It costs us more for production for the same amount of labour in Hamilton than in Chicago, but that is probably due indirectly to volume. Where they would get in Chicago a volume of 70,000 machines we would get a volume not over 10,000, but we have variety. They would pick up 80,000 or 90,000 machines when we would have 10,000. That makes the heavier cost of production. I am quite prepared to go on record as saying that at the present time we are doing about 75 per cent of the agricultural implement business in the Canadian Northwest; and we are quite likely to do it too, because apparently nobody else wants it.

Senator LOUGHEED.—Before you touch on another topic would you mind expressing to the committee your views as to the other objection to setting this legislation in motion? Is it owing to the fact that shipment by water does not permit of a fixity of rate—that is to say, there must be elasticity of rate?

Mr. DUNN.—Oh, we must have flexibility of rates on the water.

Senator LOUGHEED.—That is to say, there is not a parallel between fixing rates by rail and by water transportation?

Mr. DUNN.—No.

Senator THOMPSON.—You have not used any flexibility of rates in making your arrangement though; I understand you made your rate with them and continued that rate?

Mr. DUNN.—We made a rate, but with this stipulation, that instead of feeding them with single or individual cars we did agree to give them never less than twenty-five cars. It is always an effort on our part to do this, but we make the effort, for we have to live up to that agreement.

Senator THOMPSON.—You paid the same rate for transportation since starting with this company?

Mr. DUNN.—Yes, regulated by volume all through. There is no stipulation how many we shall give them, but that is our minimum.

Senator THOMPSON.—And as much more as you like?

Mr. DUNN.—Yes, when we ask them to send a boat into our special dock.

Mr. ARMSTRONG, M.P. (Chairman).—What makes you think that the Railway Board would interfere with you, in your rates and arrangement?

Mr. DUNN.—I can hardly conceive how the Railway Board could cater to the absolute conditions necessary to regulate these things. I do not see how you could appeal to them. You might, of course, go there and appeal to them, but the mischief would be done before you could stop it, and my great fear would be, since the question came up, the disrupting of this splendid developing service. We are not afraid of the merger; the merger may be behind the whole thing so far as I know, but we are not afraid of that in any way. I think that they find our business attractive, and we are prepared to keep it there. Of course, I am only speaking from an individual standpoint; but I have received a letter from a wire company in Hamilton, who are very much exercised about it. No doubt they have there little differential rate because they have a pretty fair volume of business at certain seasons of the year; but if they are under tariff there would be no flexibility at all, and they would have to get it through the best way possible. These are large fence people. The Frost people were going to send some communication, but they did not.

Mr. ARMSTRONG, M.P. (Chairman).—Can you tell me why the Hamilton company would take that position when the wire fence company in Sarnia take the very opposite position and are in favour of this legislation?

Mr. DUNN.—Have not the wire fence people of Sarnia a branch in Fort William or Port Arthur?

Mr. ARMSTRONG, M.P. (Chairman).—They cater for the Grain Growers' Grain Company and a number of distribution companies in the Northwest. They are strongly in favour of this legislation.

Mr. DUNN.—I can hardly conceive why unless they are prepared to pay high tariff rates on their productions; but I have a recollection that I was told that the Sarnia people were going through Port Arthur or Fort William.

Mr. NESBITT, M.P.—No, they are not; they manufacture at Sarnia.

Mr. WHITTON.—I think they are very consistent; they always take the opposite position to everybody else in everything.

Mr. SINCLAIR, M.P.—You think this would put up the rates rather than take them down?

Mr. DUNN.—I know that the railway would in due time regulate things in such a way that there would be no attractive traffic down through our district and they would promptly take those heavy carriers and control them.

Senator THOMPSON.—Do you think there would be control by the Railway Commissioners? If the facts were given to them don't you think they would consider those conditions and treat you just as you are being treated?

Senator LOUGHEED.—The question is whether they ought to adopt any flexible scale.

Senator THOMPSON.—It is a question of the maximum.

Senator POWER.—And they cannot have a gentleman like Mr. Dunn appearing before them constantly.

Mr. DUNN.—I would have to be there every morning for a new rate.

Senator BÉGIN.—I understand Mr. Dunn takes this position, that he finds that things are going satisfactorily and he is afraid of a future disturbance.

Mr. DUNN.—That is it.

Senator YOUNG (Chairman).—He believes in leaving well enough alone.

Mr. DUNN.—They are wonderfully beneficial and satisfactory under all conditions, as far as I know anything about it, and one of the biggest things is that we have been able to build up this selling condition of f.o.b. Fort William, with the possibility of transferring that labour and that warehouse up at the other end while manufacturing down here, and we produce the stuff down here and we are continually sliding it out.

Senator LOUGHEED.—Over what months of the year do you ship?

Mr. DUNN.—Our first boats usually leave the docks about the 20th April and our last about the 1st of December.

Senator LOUGHEED.—During the whole period of navigation?

Mr. DUNN.—With the exception that there is always a slack period right in December and the latter part of August and September, we might have nothing for them and, of course, we have to look up other traffic. We realize and appreciate that but we have nothing to offer them during that month, because it is our inventory time when everything is stopped and we are just turning over the work.

Senator YOUNG (Chairman).—December is between seasons.

Mr. DUNN.—It is just between seasons entirely without, and we are just waiting to see what the business will be.

Senator BOSTOCK.—The conditions are the same from Chicago about that shipping by rail?

Mr. DUNN.—Yes, absolutely they are.

Senator BOSTOCK.—The season is exactly the same?

Mr. DUNN.—They would be from the machine standpoint. We send out our twine in the early months of the year; it is moving up there now; we rush that up for distribution from that point.

Mr. F. H. WHITTON, Assistant General Manager of the Steel Company of Canada, Hamilton, Ontario, said:—We bring down from the west from 350,000 to 400,000 tons of ore every year, based on the rates that are made generally for the United States. It is called a lower lake port rate, and although we stop it off at present at Point Edward, we can take it through Lake Erie if we see fit. Our western shipments amount to 45,000 tons a year, and I am going to talk to you purely from a commercial standpoint, about what the effect of changing our system would be to the Steel Company of Canada. Mr. Dunn gives you the case from the agricultural implement standpoint, and he is in the fortunate position of competing in Hamilton against his own company in Chicago; but we have to compete with the world. He is not in that position; if he does not get his business here he can take it back to Chicago, which, of course, would be bad for Canada. But we have to compete with the world, and we do business from one coast to the other. We get all kinds of competition in Europe based on all kinds of rates, that is, an ocean rate to Montreal, possibly with an all-rail rate from Montreal to northwest point; a combination rate, lake and rail from Montreal; an all-water service from Montreal. We have to figure on English, German and Belgium prices, and all kinds of freight rates, so far as that is concerned. In regard to American competition, my method of having to figure freights varies altogether with the locality. Suppose we are figuring at the coast, we have to figure against an all-rail route say from Pittsburg to Chicago; then again a combination rate on a special export route from Pittsburg to New York; then by water around the Horn; then the cost sent via the Panama canal. They have an alternative route from New York via the Isthmus which is known as the Tehantepec route. Then we have all-water from there to the coast. When we come to Winnipeg and that district we have an all-rail route from Chicago which is lower than anything we have here at all; we have nothing in Canada to compare with the all-rail routes out of Chicago, as it is very hard to compete. If we take Pittsburg, we have a rate made up of a fixed rate under the Railroad Commission, being a rail and water rate to the upper lakes, which is equivalent at the point of manufacture of the article that we are taking into consideration; then they have a right to make any rate they like from port to port.

Senator LOUGHEED.—Through the different States?

Mr. WHITTON.—Yes, not necessary to a Canadian port, because they have the same routes to Duluth and Winnipeg and all points west that they have to Fort William and Port Arthur. The same exists in regard to Chicago. As to the ordinary rate, I am going to give you an illustration or two so that it may impress you, because it must impress you gentlemen very much. The ordinary rate on iron products from Chicago to the head of the lake is 8 cents. We have held in our hands contracts at 90 cents a gross ton, about three and a half or three and three-quarter cents. What would you do to that business if you put it into the hands of the Railway Commission who would say, 'We must have certain rates?' You would take away all right of competition; we could not do business.

Mr. ARMSTRONG, M.P. (Chairman).—You think the Railway Commission would compel you to pay higher rates?

Mr. WHITTON.—What else could they do? They must have one rate to everybody.

Mr. ARMSTRONG, M.P. (Chairman).—Oh, no.

Mr. WHITTON.—Oh, yes, how could they do anything else?

Senator BEIQUE.—They might be empowered to fix only the maximum rate.

Mr. WHITTON.—That is a new suggestion you gentleman made. If I were in

the boat business I would soon have my arrangement made with everybody to pay maximum. It sounds very nice, but I am afraid that it would all soon be maximum—it would be if I had anything to do with the boat company and were looking at it from my own selfish end. Against that we have, even in Canada, to compete for business against competitors who own their own boats. The Dominion Iron and Steel Company of Sydney can to-day land material from Sydney away below anything we have to pay now, even with our right to contract, because they can use their own boats and take full loads. On the other hand we have the large steel companies in the United States owning their boats that can be used for quantity, with the right to contract. You would put us out of all possibility of getting large business. Now I want to point out that the railway, lake and rail routes in Canada cover a uniform service, and the rate is fixed as it is to-day, as told you gentlemen, at 19½ cents with a 2 cent differential, making it 17½ cents on fifth-class freight at the head of the lakes. For that service they do the switching at the plants, the transportation to the lower lake ports, the unloading from the cars, the putting into their warehouse, the re-loading on the boats, the transportation to the head of the lakes and then on the wharf. Now, that is a pretty expensive service. You are asking people there to pay for unnecessary handling, from my point of view, and you should therefore do everything in your power to cater to an all-water service that can give you a cheaper rate because they have not the same service to perform. The boat rates are figured on the service rendered and I am dealing with our own plants particularly because I want to make a concrete case of it. We have plants where we own our own docks. We have two plants at Montreal and own our own docks, one at Lachine; we have one dock at Hamilton; we have our dock at the head of the lakes that we were forced to put in in self protection. At some of these docks we furnish men to load boats because no longshoremen are available. We do our own switching in Hamilton at an expense of \$9,000 to \$10,000 a month. We must get some concession. At other plants where we are away from the water we have to do our own carting and handling. At other plants the boat companies do the cartage, the warehouse accommodations, dock accommodations, and loading on the boats. For those different conditions we contract at different prices based on the services rendered. Now, nobody can get away from that but that it is a fair proposition; and yet we are not under the Railway Commission to name one rate. They could not get away from it; they could not make a rate that would cover those conditions; it would be an impossibility. Then there are special conditions that come along outside. We have a contract, but outside of that there come conditions sometimes when it is necessary to negotiate to secure very large contingencies—contingencies that are attractive to the United States or foreign countries, running up to three thousand, four thousand, five thousand, ten thousand tons. When those conditions come along—and of course we have to be familiar with all the markets of the world at the time—it is necessary for us to solicit the co-operation of the transportation company if it is for delivery during water navigation, in order to secure that vessel, and I say to their credit that they have always been willing to meet us as far as possible in trying to help keep that business in Canada. Remember, gentlemen, that you are figuring here not simply on freight rates, but you are figuring on taking away business from the workmen of this country as well, and they are figuring that they could carry that business which otherwise would come by New York and across the country, and they would not see any more than we would see. Therefore at times they have helped us out exactly on the basis that Mr. Walsh instanced in the case of cement. Now a very important thing to point out is that if rates were subject to the Railway Commission you have to give due legal notice in regard to change and whatever rate is made would be applicable to everyone. Now I want to say in all fairness, and particularly in view of what Mr. Armstrong has several times mentioned in reference to the small shipper, that we are not in competition with the small shipper. We are willing to pay the same rate as he does on small shipments, but in a large industry

of our class it is the large business that we have to be after; it is not the class that the small man does at all—or to a very minimum extent. Any rate that would be made for us, according to the Commission's rules, would be applicable to everybody, which is manifestly an unfair proposition, to force a boat company to carry one, two, or three tons at the same price that they would have to make to get 10,000 tons; I think everybody must concede that. Now, suppose we are willing to concede the rate, the necessary delays in getting that would absolutely lose us the business. We often have to give quotations and make business within an hour or two, and I have here two telegrams which I have shown Mr. Armstrong a week ago, and he knows that we had a freight rate changed three times in twenty-four hours.

Mr. ARMSTRONG, M.P. (Chairman).—Do you wish to put them on record?

Mr. WHITTON.—No, unless any of you gentlemen wish to look at them. I do not wish to make specific cases. In this case last year we took the business because we had nothing but an all-rail rate, and Buffalo again this time came after it and we got our Canadian boats to take this matter up. Buffalo dropped the price three times in twenty-four hours to get that order. Good gracious, what would we do? This is within a week—May 15.

Senator BOSTOCK.—This year?

Mr. WHITTON.—Yes, right now. I want to point out also that the Canadian consumer gets the benefit of these low rates. We sell everything in our Northwest f.o.b. Fort William. We are sometimes asked to name a price f.o.b. the factory. We do not do it because we are not prepared to disclose what contracts or charters we are able to make, and we always have to figure on the laid-down price at destination. We generally take the rate, for instance, from Chicago to Calgary or whatever the lowest pro rata price is—Chicago would be in that class—then we figure our rates on what the lake freight would be there and figure our lay-down price in Calgary. So that in every way the customer gets the benefit of whatever advantage they are able to get from these all-water lines. Now if you decide to put it under the Railway Commission there is an alternative, and that is by our own boats, but we are not transportation companies. I am just bringing that out as the others have done. We have one dock at the lakes it is true, but even if we got accommodation you may be sure the railways would enter their own boats and we would have to wait. We are not transportation people. We have troubles enough of our own. At Fort William the Government is spending \$10,000,000. They have allowed the railroad to absorb the whole water front. There is hardly a lot left up there. There is another feature that the people are not idle to the proposition of the cheapness of water transportation. You spend vast sums of money on the water proposition, and I think the use of that for the public interest is one thing which you want to take into consideration. I think that is practically all I have to say, but I would be pleased to answer any questions any member of the committee may desire to ask.

Senator BÉLIEU.—Are you using only Canadian boats?

Mr. WHITTON.—Yes, coasting laws prevail there.

Senator BÉLIEU.—Have you boats of your own?

Mr. WHITTON.—No.

Senator BOSTOCK.—You speak about the coasting trade. Are you able to ship right out to the coasts in competition with lines like the Blue Funnel?

Mr. WHITTON.—We ship to Montreal via the Tehautepac route, but that was abandoned last year.

Senator BOSTOCK.—You cannot do it any longer?

Mr. WHITTON.—No, and we cannot ship by New York because our customs refuses the right of a man to examine our goods in New York. I should qualify that. I

think they are figuring on another route via Montreal. There may be a line established out of Montreal via the Panama canal that will give us relief.

Senator BOSTOCK.—At the present time we are practically cut out.

Mr. WHITTON.—Yes, but not altogether. On those few lines we have an opportunity to go by water. Where people won't wait we go to Europe to get the business.

Mr. WALSH.—Mr. Whitton referred to the machinery necessary to put the change in rates into effect. Under the Act thirty days' notice must be given of the advance of rates. They must be filed three days for reduction and thirty days for advance.

Mr. ALEXANDER McFEE appeared before the Committee and stated: I represent the Montreal Corn Exchange, the Inland Carriers, the Grain Merchants and other interests, and we are affiliated with the Board of Trade. The arguments that you have listened to this morning really cover our case. In other words this Bill will eliminate competition. I am speaking in regard to the grain business. For a few years we have succeeded in providing aids for navigation from the great lakes to the ocean, and these aids along with the terminal facilities have helped to create a new condition of things; so that last year we had the largest export of grain in the history of the port of Montreal, reaching somewhere about 60,000,000 bushels, and the prospects this year are that it will be larger than last year. Already I understand about thirty tramps have been chartered to load in the port of Montreal, and we have only opened the season. Last year I think there were about thirty tramps altogether. Already we have thirty tramps chartered for the port of Montreal, so that there is every prospect for a much larger business this year out of Montreal than previous years. What is that increase of business owing to? We have the aids to navigation. That has helped it; and the terminals; but it is the competitive route that we have by the St. Lawrence. The route that makes the minimum rates from the great lakes is the St. Lawrence. The American routes did not make the competitive rates. The competitive rates are made by the St. Lawrence route, and our regular lines making rates as a rule, combined with the inland rates that are lower than our competitor are the Americans, and when these boats receive their maximum, then the overflow seeks the foreign market, via the United States. That is really the history of the trade of the port of Montreal. These tramps are meeting the competition necessary so as to come to Montreal. In other words, they are carrying grain from the port of Montreal at even as low as one and nine pence—one and ten pence half-penny to one and nine. I understand. I understand some one quoted a one and nine rate. This one and nine rate is something new.

Senator WATSON.—That is eight bushels.

Mr. McFEE.—Yes. It is something new in the history of Montreal to have the tramp come for a cargo at one and nine pence to continental ports or United Kingdom ports, and these tramps are taking care of the surplus cargo that the regular liner are unable to carry. The regular liners are now filled up pretty well for the summer months. In other words, they have provided for all they feel safe to contract for, and they may have surplus room from summer to summer, and they make their contracts for it, but as a rule they have filled their boats as far as they can go, right up into August and September. I refer to the regular liners, and the tramps come in now and they are getting the business. Now there is an overflow going by the American routes. The American rates from Fort William to New York will cost 3c. a bushel more than from Montreal. The inland carriers are carrying grain to Montreal for 4½c. a bushel from Fort William. From Fort William to New York the cost is 7½c. a bushel. One cent for the lake boats, and 6½c. for the railway and terminals, which makes 7½c., and we have a rate of 4½c. to Montreal by these inland carriers.

Senator YOUNG.—You have three cents advantage by the port of Montreal to-day.

Mr. McFEE.—Yes, and that three cents gives us the possibility of getting a tramp to Montreal.

Mr. NESBITT.—Does that happen frequently?

Mr. McFEE.—This year is an exceptional one, the same as last year was an exceptional year. Last year the rates were very high, and why? Because rates all over the world are excessively high for shipping, and steamship companies were getting excessively high rates from all ports. The inland carriers reaped a harvest, the same as shipping companies everywhere were reaping a harvest.

Senator BOLDC.—What is the comparison of the rates between Montreal and New York last year?

Mr. McFEE.—There was less than three cents last year.

Senator WATSON.—What is the difference in the rate from New York to the foreign market at the present time?

Mr. McFEE.—I took freight this week from Boston to Liverpool for two and ten—a penny per bushel, and the lowest I could get from Montreal to Liverpool was $4\frac{1}{2}$ per bushel or 5 cents.

Senator WATSON.—It about evens up.

Mr. McFEE.—Yes.

Mr. NESBITT, M.P.—Does it happen frequently that you are lower at Montreal than New York? You are lower just now by three cents?

Mr. McFEE.—Yes.

Senator WATSON.—That is from Fort William to a foreign country.

Mr. McFEE.—Yes. The overflow comes to the United States, and the American boats from Boston had to compete with the St. Lawrence route, and they could not get business from us unless they took it back a farthing.

Senator WATSON.—How about New York?

Mr. McFEE.—They are practically the same. We took freight this week from Boston to Liverpool for a company. We were offered more at the same price if we waited a week longer.

Senator WATSON.—That is one cent advantage over Montreal?

Mr. McFEE.—Well, it is half a cent higher than Montreal is.

Senator POWER.—These tramp steamers are coming to Montreal in large numbers now. If they did not come, what difference did it make in the ocean rate from Montreal to Liverpool, if you had just the regular liners?

Mr. McFEE.—The tramps are chartered to go for instance to Avonmouth and Rotterdam, or other continental or United Kingdom ports, Hull, or Leith, at one and nine, and our regular liners have to compete with them. There is a little more insurance, probably from a quarter to three-eighths per cent.

Senator WATSON.—The tramp regulates the rate.

Mr. McFEE.—Yes. These liners to Avonmouth had to come down to one and nine.

Senator WATSON.—The tramps were regulating it.

Mr. McFEE.—Yes. We want competition of ocean rates, and it is the inland carrier that is helping us to get these tramps into Montreal. For instance the Winnipeg market is probably one of the largest markets for actual products on this side of the Atlantic. There is no larger market than Winnipeg for the real wheat. Then we have Liverpool on the other side. That is the market for Europe. The continent is watching Liverpool. The merchant knows to a fraction what it would cost to bring the grain from Winnipeg to Liverpool. They can figure it to within an eighth of a cent to a bushel and they are buying it every day as close as an eighth of a cent. The transportation charges represent between Winnipeg and Liverpool. If you cannot get competition from the ocean steamer you have to get it from the inland carrier. To do

the business somebody has to make the cut, and it is only in the transportation where you can get it. The merchants cannot do it.

Senator BÉLQUE.—And it may have to be adjusted very rapidly.

Mr. WHITTON.—Immediately. You cannot wait a week or two weeks. That brings out another point. Some of these ships are chartered for a load in August. Some of our Canadian lines have a charter for August. They have made their contracts probably with the inland carrier for carrying the grain. If there is a fixed tariff you cannot make a charge other than what the tariff says. If the contract is six cents now and the tariff is five cents at the time the freight is to be carried, you cannot charge six. The law will forbid you. If you make a contract at five and the tariff is six, you must pay six. We have had that experience with the Railway Commission. The railway will bring the tariff into operation in the fall. It comes into force on the 20th September. They notify the Commission that the rate will be so and so on the 1st September. The tariff was put in on the 1st September. Twenty days was allowed, and they came along on the 1st September. They were taking on the rate. I do not remember what it was, but there was a difference of half a cent a bushel anyway, because of this new tariff that came into force on the 20th September and we had to pay the new tariff rate. We had no notice in advance about it; so that you see you cannot make contracts in anticipation. You have to know exactly what the contract is.

Senator YOUNG.—The margin is so narrow.

Mr. McFEE.—Yes. There is neither half a cent a bushel in this business nor a quarter cent it is done so closely; so that immediately you close and fix an arbitrary rate, and with contracts three and four months in the future, it is quite impossible to do the business.

Mr. ARMSTRONG, M.P. (Chairman).—Do you not do business with railroads that are carrying lake and rail?

Mr. McFEE.—Yes, and we would not get the present rates if it were not for the water rates. The C.P.R. came in lately and made an unusually low rate to compete with the water rate, and if you had a tariff on the water you would not be getting the C.P.R. rate to-day.

Mr. ARMSTRONG, M. P., (Chairman).—But the C.P.R. boats that are on the water are under the control of the Commission.

Mr. McFEE.—I am not speaking of their boats. The C.P.R. do not carry grain on the lakes, they carry it on the Georgian Bay.

Senator BÉLQUE.—You are using the rates on the water. It is your lee way.

Mr. McFEE.—Yes, they made a rate of three and a half from the lake to Montreal in competition with the all-water rate, then the lake carrier comes in and meets the competition plus the rail rate, so that you see the producer is directly interested in the competition, and I do not know anybody who wants this change as far as I know. We do not want it, and nobody in Montreal wants it as far as I know. No association nor the Boards of Trade in Toronto or Montreal or Fort William or Winnipeg. I have not heard anyone asking for the change. I have not heard of it. I would like to know who is behind this.

Mr. ARMSTRONG, M.P. (Chairman).—We have a document here with many pages from the Western Grain Growers and the shippers from the west asking for some definite arrangement to be made. The House of Commons members have taken up days of the time of the House in bringing forward these matters.

Mr. McFEE.—I have not read what the Grain Growers have said.

Mr. KING.—I have an answer to that letter if the Committee will allow me to put it in writing.

Mr. McFEE.—I was going to answer the Saskatchewan people. I deal with competition as far as they are concerned. I understand that question of competition. Now eliminate this possibility of the competitor from Fort William to Montreal then you weaken your competitor as far as Vancouver is concerned. Vancouver is looking for this westbound traffic from the western Provinces. Then if you eliminate one factor as a competitor, you narrow it down to the railways and the ocean steamers from Vancouver absolutely. What we want in Montreal is a competitor as far as we are concerned, that would take this west-bound traffic to Vancouver, to over-seas market, and we cannot afford to eliminate any competitor that we have, and I believe that when we get the Welland canal completed we will make lower rates than we have to-day of 4½ cents, and we will require it as a competitor with the Pacific. I cannot see where the farmers were wise in eliminating a competitor here in anticipation of getting better prices because of a competitor.

Mr. ARMSTRONG, M.P., (Chairman).—You think the Board of Railway Commissioners would have a tendency to eliminate the competitors.

Mr. McFEE.—Yes, I can answer that by a remark the late Mr. Hayes made to me, and it was very correct; that this Railway Commission contributed more to the revenues of the railway than any other factor.

Mr. ARMSTRONG, M.P., (Chairman).—In what way?

Mr. McFEE.—It will remove the necessity of the railways protecting their rates by argument. There is a tariff and the Railway Commission fixed that tariff and passed it, and there is nothing to be said. The public are represented on the Railway Commission and the rates are endorsed by that Commission, and the railways are getting the maximum possible in their tariff, and I believe the railways are profiting by this Railway Commission on account of the tariff.

Mr. ARMSTRONG, M.P., (Chairman).—Then if that argument holds good the shipping interests should not oppose that regulation.

Mr. McFEE.—Which interest?

Mr. ARMSTRONG, M. P. (Chairman).—The owners of vessels.

Mr. McFEE.—I am not arguing this for the shipping interest.

Mr. ARMSTRONG, M. P. (Chairman).—They are opposing it.

Mr. McFEE.—I can see that the control of these rates and the control of the inland rates would probably be in the hands of a larger corporation. I can see a tariff that would be changed from day to day or week to week and the inland shipping owner would control the rates that were made. I do not think any tariff that could be made would last more than two weeks at a time. They would be having a new tariff every two weeks, and the larger shipper would fix these tariffs, because he would have the power and influence to do it. I think the Railways that make the rates larger are the larger railways, and I think that our railways are influenced largely by the United States railways. I think that the influence comes from there.

Senator WATSON.—You have the tramp ship coming in; could you give us any idea of the amount of freight moved by the tramp steamer from Fort William?

Mr. McFEE.—No.

Senator WATSON.—The class of boat that carries ore is looked upon as a tramp.

Mr. McFEE.—For Buffalo, yes. I think the trade in ores comes in the fall of the year and in the spring, because they cannot carry ore in the cold weather or something of that kind.

Senator WATSON.—You would class that as a tramp boat?

Mr. McFEE.—It never occurred to me.

Senator WATSON.—They only come when they cannot get freight anywhere else.
Mr. McFEE.—Yes.

Senator WATSON.—They make a rate to get a load of wheat?

Mr. McFEE.—Yes. That steamer would be called a tramp.

Mr. DRUMMOND appeared before the Committee and said: I have been asked to come here by the Montreal Board of Trade. I am not going to present any technical argument, but I would like to show the Committee that the Board of Trade, which is in line with the *Chambre de Commerce* in the business interests of Montreal is opposed to this clause, which it is proposed to pass, and they wrote a letter to the Committee in respect to it.

Mr. ARMSTRONG, M.P., (Chairman).—That letter is filed.

Mr. DRUMMOND.—I would make my argument in a very brief way on these two general principles. Firstly, that the commercial community is satisfied with what they have now, and they see no reason for a change. I do not want to elaborate that. I am stating it as a fact, and I believe I am justified in doing so. Then secondly the fact that having competition by water is of enormous importance to Montreal, the practical effect of that is that it extends the water front of Montreal as far west as Fort William. That fact is recognized by the railways, because in the fall, as soon as the water competition is withdrawn the rates immediately go up.

Senator BEIQUE.—And the tariff allows it—recognizes it.

Mr. DRUMMOND.—Yes. Further than that the Railway Commission recognizes the fact that in dealing with competition as in this western rate case, in dealing with competition between Montreal and Vancouver the Railway Commission recognizes in comparing the two, they start at Fort William and they compare Fort William westward with Vancouver eastward so that they recognize the fact that the water competition practically extends our boundary up to Fort William. Anything that would interfere with that would be very detrimental in our opinion, to the interests of Montreal. In the case of this steel company and the harvester company, somewhat the same condition obtain in my own business which is sugar. We ship sugar up to Fort William and Port Arthur and store it there and distribute it from that point, and before the close of navigation we ship out large quantities.

Senator YOUNG.—Have you a warehouse at Port Arthur?

Mr. DRUMMOND.—No, we have a warehouse at Brandon and send it from Port Arthur up to Brandon and distribute it from there. On the general principle I would say that if you are satisfied with a thing you do not want a change, and secondly if there is reasonable competition we do not see the necessity for government regulation. Freight is a commodity exactly like the raw materials in the business which we want to buy at the cheapest rate. It is important for us to buy at the cheapest rates, and those conditions obtain at present and we would not care to see them altered. Apart from the fact that the Railway Commission for whom I have an enormous respect, probably have enough to do already without tackling water rates as well.

Senator WATSON.—If you put a maximum rate on lake traffic, what effect would it have on the rates? There is a spread all the way from two to eight cents. If you had a maximum of four cents would it drive some ships out of the lake?

Mr. DRUMMOND.—I am talking more of shipments westward. Mr. McFee was talking more of grain going eastward. If you regulate our boats the tendency would be to throw the shipping business over to someone else. The fact that you get lower rates by water than by rail proves that that is a true rate, that they can exist on that rate, and if you attempt to regulate it or raise it you will simply throw the business to someone else.

Senator BEIQUE.—You think it is premature anyway?

Mr. DRUMMOND.—Yes.

Mr. KING.—On behalf of the Dominion Marine Association I do not want to discuss the rates at all at this late stage. Here is an answer to what was put in by the Chairman in favour of legislation and the only answer in reference to the legislation, with special reference to the document filed in behalf of the Grain Growers. There is nothing in that argument of theirs.

Senator YOUNG, (Chairman).—I have received communications from the St. John Board of Trade, the Ogilvie Milling Company and others, which will appear in our report. If we receive further documents containing arguments for and against the measure I suppose it is the pleasure of the Committee to have them printed.

Senator LOUGHEED.—Yes.

The Committee adjourned sine die.

LIST OF EXHIBITS

[illegible]

EXHIBIT No. 1.

UNITED FARMERS OF ALBERTA.

CALGARY, ALBERTA, May 28, 1914.

J. E. ARMSTRONG, Esq., M.P.,

Chairman, House of Commons Committee for
Consolidation of Railway Act, Ottawa.

DEAR SIR,—

I am in receipt of yours of the 20th instant together with the copy of Bill No. 2 and notes on same. I thank you for your courtesy in forwarding us this information.

After discussing the proposed amendments with our president and several other members of our executive who happened to be available, I beg to advise you that we are entirely in sympathy with the object of clause 358 and unanimously endorse same. We believe however, that as at present worded, the clause opens the way for a legal action as to the extent of its meaning.

Lines 2 and 3, clause 358 read at present, 'extend and apply to the traffic carried by any *railway company*, etc.' We believe that to make this clause really effective it must be made to cover all water traffic, whether carried in boats owned by railway or other company or individual, and would respectfully suggest that the word '*railway*' be eliminated from this clause, making it read, 'traffic carried by any company or individual, etc., etc.,' or whatever amendment your committee might suggest which would effect the purpose hereinbefore outlined.

Yours faithfully,

(Sgd.) P. P. WOODBRIDGE,
Secretary.

EXHIBIT No. 2.

UNITED FARMERS OF ALBERTA.

CALGARY, ALBERTA, May 28, 1914.

J. E. ARMSTRONG, Esq., M.P.,

Chairman, House of Commons Committee for
Consolidation of Railway Act, Ottawa.

DEAR SIR,—

On further consideration of the Act to Consolidate and Amend the Railway Act, a copy of which you have been kind enough to send us, our Association has always been greatly interested in those clauses governing the responsibility of railway in the matter of cattle and other stock killed upon the line.

I beg to advise you that the amendments which it is proposed to draft into the new Act so far as we see at present, would appear to put this matter on a much more satisfactory basis and meet with our endorsement, with the possible exception of clause No. 277. We are of the opinion that this clause is inclined to be somewhat ambiguous and throws the onus of proof as to who was actually responsible for leaving the gate open, on to the shoulders of the farmer on whose land the level crossing and gateway happens to be. In our opinion the clauses likely to lead to litigation should be avoided as far as possible, and we would respectfully suggest that this clause be entirely eliminated from the Act.

Trusting this suggestion will meet with the careful consideration of your committee.

Yours faithfully,

(Sgd.) P. P. WOODBRIDGE,
Secretary.

EXHIBIT No. 3.

DEPARTMENT OF RAILWAYS AND CANALS, CANADA.

OFFICE OF THE DEPUTY MINISTER.

OTTAWA, FRIDAY, May 22, 1914.

DEAR SIR,—

I beg to acknowledge receipt of your favour of the 20th instant, advising me of the passing of a resolution to the effect that our Comptroller of Statistics should prepare a schedule showing the average rate per month per bushel on grain from Port Arthur or Fort William to Montreal, during the past five years.

We have to-day taken this matter up with the Comptroller of Statistics, requesting him to get in touch with the several inland transportation companies with a view to preparing this schedule as early as possible.

Yours truly,

(Sgd.) A. W. CAMPBELL.

N. ROBIDOUX, Esq.,

Clerk of the Committee,

House of Commons, Ottawa.

DEPARTMENT OF RAILWAYS AND CANALS, CANADA.

OFFICE OF THE DEPUTY MINISTER.

OTTAWA, FRIDAY, May 29, 1914.

DEAR SIR,—

With further reference to your letter of the 20th instant and my reply of the 22nd, concerning a resolution passed by the joint Committee of the Senate and the House of Commons on the Senate Bill B-2, to the effect that the Comptroller of Statistics prepare a schedule—after communication with the several inland transportation companies—showing the average rate per month per bushel on grain from Port Arthur (or Fort William) to Montreal during the past five years.

I enclose herewith a statement showing the facts so far as the year 1913 is concerned. The Comptroller of Statistics advises that it will be a number of days before the data for the preceding years will have been received from the various shipping companies to which application has been made.

Yours truly,

(Sgd.) A. W. CAMPBELL.

N. ROBIDOUX, Esq.,

Clerk of the Committee,

House of Commons, Ottawa.

FREIGHT RATES BY WATER.

The traffic from Port Arthur-Fort William consists almost entirely of grain, and an overwhelming proportion of that grain is wheat.

In 1913 for the first time, the rate of freight ascertained on cargoes of wheat from Port Arthur-Fort William to the four following points:

Montreal (or Kingston).

Georgian Bay ports.

Other Canadian ports.

Buffalo.

The results were as follows:—

PORT ARTHUR-FORT WILLIAM TO MONTREAL, 1913.

	Per bushel.	Per ton.	Per ton per mile.
	cents.	\$	cent.
April.....	6·015	2 04	165
May.....	5·525	1 84	135
June.....	4·602	1 54	127
July.....	4·080	1 60	130
August.....	5·440	1 68	137
September.....	5·282	1 76	144
October.....	6·313	2 10	171
November.....	6·341	2 11	172

Montreal includes Kingston, which is a port of transfer, Cargoes for Montreal are frequently transferred to barges at Kingston, and the rate of freight is calculated accordingly—that is, to Montreal.

PORT ARTHUR-FORT WILLIAM TO GEORGIAN BAY PORTS, 1913.

	Per bushel.	Per ton.	Per ton per mile.
	Cents.	Cents.	Cent.
April.....	2·42	80·63	157
May.....	2·16	71·85	135
June.....	2·18	73·93	142
July.....	1·59	58·73	102
August.....	1·43	47·81	92
September.....	1·53	51·26	100
October.....	2·21	73·95	146
November.....	2·46	82·30	160
December.....	3·35	\$1.12	220

The chief Georgian Bay ports are Tiffin, McNichol, Midland, Collingwood, Owen Sound and Depot Harbour.

PORT ARTHUR-FORT WILLIAM TO OTHER CANADIAN PORTS, 1913.

	Per bushel.	Per ton.	Per ton per mile.
	Cents.	Cents.	Cent.
April.....	2·599	86·63	127
May.....	2·200	73·35	91
June.....	1·755	58·53	72
July.....	2·371	90·36	122
August.....	1·928	64·27	82
September.....	1·969	65·63	83
October.....	2·767	92·23	166
November.....	2·780	92·69	116
December.....	3·081	\$1.03	146

Other Canadian ports are ports east of Georgian Bay and west of Lake Ontario. They are principally Goderich, Windsor and Port Colborne. It will be observed that the rate of freight is practically the same to Georgian Bay ports and other Canadian ports. For at least ninety per cent of cargoes, the rates to Georgian Bay ports, Port Colborne and Buffalo are identical at all times.

PORT ARTHUR—FORT WILLIAM TO BUFFALO—1913.

	Per bushel.	Per ton.	Per ton per mile.
	cents.	cents.	cent.
April.....	2 739	91 30	108
May.....	2 442	81 40	094
June.....	1 954	65 13	076
July.....	2 289	76 30	118
August.....	1 969	65 63	090
September.....	1 739	57 97	066
October.....	2 876	95 86	122
November.....	2 998	99 97	114
December.....	3 296	\$1 09	126

EXHIBIT No. 4.

DEPARTMENT OF RAILWAYS AND CANALS, CANADA.

OFFICE OF THE DEPUTY MINISTER.

OTTAWA, MONDAY, June 1, 1914.

DEAR SIR,—

With further reference to your letter of the 20th instant, concerning a resolution passed by the joint Committee of the Senate and the House of Commons, on the Senate Bill B-2, to the effect that the Comptroller of Statistics prepare a schedule—after communication with the several inland transportation companies—showing the average rate per month per bushel on grain from Port Arthur (or Fort William) to Montreal during the past five years.

I enclose herewith statements giving the facts with respect to the freight rate on grain from Fort William to Montreal, by months, for the years 1909, 1910, 1911 and 1912.

Yours truly,

(Sgd.) A. W. CAMPBELL.

N. ROBIDOUX, Esq.,

Clerk of the Committee,

House of Commons, Ottawa.

AVERAGE Rate of Freight per bushel on Grain from Port Arthur-Fort William to Montreal:—

1909.

	Wheat.	Oats.	Flax.	Barley.
	cents.	cents.	cents.	cents.
May.....	5 00	3 00	.....	5 23
June.....	4 00	.....	4 00	.....
July.....	3 10	.....	3 33	.....
August.....	3 75	2 25	.....	.....
September.....	4 50	2 00	.....	3 00
October.....	6 06	4 63	4 00	6 00
November.....	6 16	4 50	5 75	5 00

1910.

April.....	5 37	3 50	4 75
May.....	4 37	3 06	3 50
June.....	4 04	2 88	
July.....	3 27	2 33	
August.....	2 90		
September...	3 55		
October.....	4 94		
November.....	5 50		

1911.

April.....	5 00	3 38	
May.....	5 00	2 75	
June.....	3 87	2 68	
July.....	3 75	2 38	
August.....	3 87	2 45	
September.....	4 50	2 88	
October.....	5 50	4 00	
November.....	6 25		

1912.

May.....	6 28	4 00	
June.....	5 34	3 56	
July.....	4 75	3 00	
August.....	4 87	3 43	5 75
September.....	5 80	3 50	
October.....	6 68		
November.....	7 25	4 71	

Bound by
Hempell's Press Co-operative
Gardenvale



